



Annual Accounts
For the Year 2011-12



SIGNIFICANT ACCOUNTING POLICIES 2011-2012

1. General

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

2. Use of Estimates

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

3. Grants-In-Aid

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

4. Fixed Assets.

i. Fixed Assets including intangible assets are stated at their cost of acquisition/construction. Assets and systems common to more than one generating Unit are capitalized on the basis of engineering estimates/assessments. However, Fixed assets acquired/constructed especially for construction purposes which would get merged with the main fixed assets or cease to be of use after construction period, are carried as part of Capital Work-in-Progress of the main item of Fixed Asset to be capitalized therewith.

ii. Fixed assets created on land not belonging to the Company are included in Fixed Assets.

iii. In respect of land acquired through Special Land Acquisition Officer (SLAO)/ on lease, those portions of land are capitalized which are utilized/ intended to be utilized for construction of buildings and infrastructural facilities of the Company. Cost of land acquired through SLAO is capitalized on the basis of compensation paid through SLAO or directly by the Company. Expenditure on rehabilitation of the oustees of such land is not considered in arriving at the cost. Leasehold land is capitalized on the basis of lease amount paid.

iv. In case where the final settlement of bills with contractors is yet to be effected, but the asset is complete and ready for use, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

v. Capital expenditure on assets not owned by the company is reflected as a distinct item in Capital work in progress till the period of completion and thereafter in the Fixed Assets.

5. Capital Work-in-Progress.

i. Cost incurred towards lease amount and rent on lease hold land and compensation for land and properties etc. used for submergence and other purposes (such as re-settlement of oustees, construction of new Township, afforestation, expenses on maintenance and other facilities in the re-settlement colonies until takeover of the same by the local authorities etc) and where construction of such alternative facilities is a specific precondition for the acquisition of the land for the purpose of the project, is carried forward in the Capital Work in Progress of Rehabilitation. On the commercial operation of the project the same shall be capitalized as Land-unclassified.

ii. Deposit works are accounted for on the basis of statements of account received from the Agencies concerned.

- iii. In respect of supply-cum-erection contracts, the value of supplies received at site is treated as Capital-Work-in-Progress.
- iv. Claims for price variation in case of contracts are accounted for on acceptance.
- v. Administration and General overhead expenses of Corporate office / Service centers attributable to Construction of Fixed assets are identified and allocated on a systematic basis to Construction projects. Expenditure during Construction (EDC) (net) including attributable administration and General overhead expenses of Corporate Office / Service centers for the year, is apportioned to Capital Work-in-Progress on the basis of accretions thereto and included in the cost of related assets till they are ready for their intended use.
- vi. Expenditure during Construction (EDC), relating to rehabilitation Works of Projects is carried forward and is to be dealt in line with Policy No. 5(i)

6. Borrowing Costs.

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

7. Foreign Currency Transactions

- i. Transactions dealt with in foreign currency are recorded at the rates at which transacted.
- ii. At the balance sheet date, foreign currency monetary items are reported using the closing

rate. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.

- iii. Exchange differences in respect of loans / deposits / liabilities relating to fixed assets/ capital work-in-progress arising out of transaction entered into prior to 01/04/2004 is adjusted to the carrying cost of respective fixed asset/capital work-in-progress. However, Exchange differences arising out of transaction contracted on or after 01/04/2004 are accounted for in accordance with AS – 11 (Revised 2003) 'The Effects of Changes in Foreign Exchange Rates'.
- iv. Other exchange differences are recognized as income & expenses in the period in which they arise.

8. Depreciation

- i. Depreciation is charged on straight-line method following the rates notified by the Central Electricity Regulatory Commission (CERC) for the purpose of fixation of tariff. In respect of assets, where rate has not been notified by CERC, depreciation is provided on straight line method as per rates prescribed under the Companies Act, 1956. In case of change in cost of asset due to increase/ decrease in long term liability on account of exchange fluctuations, award of Courts, etc, revised unamortized depreciable amount is provided prospectively over the residual useful life of the asset.
- ii. Low value items costing up to ₹ 1500/-, which are in the nature of assets are not capitalized and charged to revenue.
- iii. In respect of Assets costing up to ₹ 5000/- but more than ₹ 1500/-(excluding immovable assets) 100% depreciation is provided in the year of purchase.
- iv. Depreciation is charged from the date the asset becomes 'ready for use'.
- v. Cost of Leasehold Land is amortized over the lease period.



- vi. Capital expenditure on assets not owned by the company incurred during construction period of the Project is amortized over a period of five years from the year in which first unit of project concerned comes into commercial operation and there after from the year in which the relevant asset has been completed and becomes available for use.
- vii. Cost of computer Software is recognized as intangible asset and amortised on straight line method over a period of legal right to use or five years, whichever is earlier. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the residual useful life of the related plant and machinery.

9. Stores & Spares.

- i. Stores and spares are valued at cost determined on weighted average basis or net realizable value whichever is lower.
- ii. Diminution in value of obsolete and unserviceable stores and spares is ascertained on review and provided for.

10. Income & Expenditure

Income Recognition.

- i. Sale of energy is accounted for as per final tariff notified by Central Electricity Regulatory Commission (CERC). In case of Power Station where final tariff is not notified, recognition of revenue is based on the parameters and method provided in the applicable Regulations framed by the appropriate authority i.e CERC. The recognition of Revenue would be independent of the Provisional Rate adopted for the purpose of collection pending notification of 'Annual Fixed Charges' by CERC. Recovery/refund towards foreign currency variation in respect of foreign currency loans are accounted for on year to year basis.
- ii. Incentive / disincentives are accounted for based on the applicable norms notified / approved by the Central Electricity Regulatory Commission

or agreements with the beneficiaries. In case of Power Stations where the same have not been notified/approved/agreed with beneficiaries, incentives/ disincentives are accounted for on provisional basis.

- iii. Surcharge recoverable from sundry debtors for sale of energy and liquidated damages/ warranty claims are not treated as accrued due to uncertainty of its realization/acceptance, and are therefore, accounted for on the basis of receipt/ certainty of receipt.
- iv. Interest earned on advances to contractors as per the terms of contract, are reduced from the cost incurred on construction of the respective asset by credit to related Capital Work-in-Progress Account.
- v. Value of scrap is accounted for at the time of sale.
- vi. Insurance claims are Accounted for in the year of receipt/acceptance by the insurer /certainty of realization.
- vii. Income from consultancy work is accounted for on the basis of actual progress/ technical assessment of work executed or cost reimbursable in line with terms of respective consultancy contracts.

Expenditure

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

lapsable fund for incurring expenditure towards Corporate Social Responsibility. The unspent amount is carried forward.

11. Employees' Benefits.

- i. Liability for retirement benefits to employees in respect of gratuity, leave encashment and post retirement medical benefits, baggage allowance, memento to retiring employees, financial package for dependent of deceased employees and funeral expenses etc. as defined in AS-15 is accounted for on accrual basis based on actuarial valuation determined as at the year end.
- ii. The company has established a separate Trust for administration of Provident Fund and the company's contribution to the Fund is charged to expenditure every year. The liability of the company in respect of shortfall (if any) in interest on investments is ascertained and provided annually on actuarial valuation at the year end.

12. Miscellaneous Expenditure

Deferred revenue expenditure upto 31.3.04 is written off over a period of 10 years from the year of

expenditure. However, thereafter the same is being fully charged in the year of expenditure.

13. Taxes on income

Taxes on income for the current period is determined on the basis of taxable income under the Income Tax Act, 1961. Deferred tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred Tax Recovery Adjustment Account is credited/debited to the extent tax expense is chargeable from the Beneficiaries in future years on actual payment basis.

14. Cash Flow Statement.

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





BALANCE SHEET AS AT 31-March-2012

Amount In lac ₹

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

Amount In lac ₹

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

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

For and on Behalf of Board of Directors

(S. Q. Ahmad)
Company Secretary

(C. P. Singh)
Director (Finance)

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

As Per Our Report of Even Date Attached
For BHATIA & BHATIA
Chartered Accountants
FRN 003202N of ICAI

(Ravinder Bhatia)
Partner
Membership No.:- 17572

Date:- 31.08.2012

Place:- New Delhi



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

Amount In lac ₹

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

Amount In lac ₹

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

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

For and on Behalf of Board of Directors

(S. Q. Ahmad)
Company Secretary

(C. P. Singh)
Director (Finance)

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

As Per Our Report of Even Date Attached
For BHATIA & BHATIA
Chartered Accountants
FRN 003202N of ICAI

(Ravinder Bhatia)
Partner
Membership No.:- 17572

Date:- 31.08.2012

Place:- New Delhi



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

Note :-1

SHARE CAPITAL

Amount In lac ₹

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

Note :-1.1

RECONCILIATION OF NO. OF SHARES & SHARE CAPITAL OUTSTANDING

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

Note :-1.2

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

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

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

Note :-2

RESERVES & SURPLUS

Amount In lac ₹

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

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



Note 1-3

LONG TERM BORROWINGS

Amount In lac ₹

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

Amount In lac ₹

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



Amount in lac ₹

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

* Long Term Loan Secured by first Charge on Pari Passu basis on Assets of Tehri Stage-I i.e. Dam, Power House Civil Construction, Power House Electrical & Mechanical equipments not covered under other borrowings and Project township of Tehri Dam and HPP together with all rights on loan and interest appertaining there to.

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

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

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

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

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

Note :-4

OTHER LONG TERM LIABILITIES

Amount In lac ₹

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

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



Note 1-5

LONG TERM PROVISIONS

Amount in lac ₹
(Figures in Parenthesis Represent Deduction)

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

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

Note :-6

SHORT TERM BORROWINGS

Amount In lac ₹

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

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

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

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

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

Note :-7

TRADE PAYABLE

Amount In lac ₹

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



Note :-8

OTHER CURRENT LIABILITIES

Amount In lac ₹

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

Note :-9
SHORT TERM PROVISIONS

Amount In lac ₹
(Figures In Parenthesis Represent Deduction)

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

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



Note :-10

FIXED ASSETS

Amount In lac ₹
(Figures In Parenthesis Represent Deduction)

Particulars	Gross Block			Depreciation			Net Block	
	As at 01-Apr-2011	Addition During the year	As at 31-Mar-2012	As at 01-Apr-2011	For The year	Sales/ Adjustment During the year	As at 31-Mar-2012	As at 31-Mar-2011
Tangible Assets								
Lease Hold Assets								
1. Land Lease Hold	245	-	245	18	9	-	27	227
Other Assets								
2. Land Free Hold	2,162	-	2,162	-	-	-	-	2,162
3. Land Unclassified	1,38,600	2,436	1,41,036	17,240	4,674	-	21,914	1,19,122
4. Buildings	63,811	5,033	68,829	1,400	2,319	(3)	3,716	65,113
5. Building Temp. Structures	515	424	939	514	425	-	939	1
6. Road, Bridge & Culverts	5,280	3,934	9,210	307	292	9	608	8,602
7. Drainage, Sewerage & Water Supply	1,246	19	1,265	158	67	-	225	1,040
8. Construction Plant & Machinery	1,449	375	1,824	973	57	-	1,030	794
9. Generation Plant & Machinery	1,93,074	38,217	2,31,260	26,569	10,607	-	37,176	1,94,084
10. EDP Machines	1,176	50	1,221	544	158	(1)	701	520
11. Electrical Installations	659	152	811	54	49	-	103	708
12. Transmission Lines	1,431	367	1,798	245	99	-	344	1,454
13. Office & Other Equipment	3,259	374	3,616	796	220	(1)	1,015	2,601
14. Furniture & Fixtures	1,362	117	1,478	306	87	-	393	1,085
15. Vehicles	700	351	1,027	386	60	(17)	429	598
16. Railway Sittings	122	-	122	12	4	-	16	106
17. Hydraulic Works- Dam & Spillways	4,93,443	5,737	4,99,180	60,092	26,378	1	86,471	4,12,709
18. Hydraulic Works- Tunnel, Penstock, Canals etc.	1,31,240	5,816	1,37,056	21,034	7,021	62	28,117	1,08,939
19. Unservicable/ Obsolete Assets at net book value or not realisable value whichever is lower.	177	-	175	-	-	-	-	175
20. Capital Expenditure on Assets not owned by the company.	2,615	-	2,615	2,070	284	-	2,354	545
Sub Total	10,42,566	63,402	11,05,869	1,32,718	52,810	50	1,85,578	9,20,291
Figures For Previous Year	8,52,078	1,99,818	10,42,566	97,603	42,900	(7,785)	1,32,718	9,09,848
Intangible Assets								
1. Intangible Assets-Software	267	55	322	138	48	-	186	136
Sub Total	267	55	322	138	48	-	186	136
Figures For Previous Year	201	68	267	106	35	(3)	138	129
Detail of Depreciation				Current Year		Previous Year		
Depreciation transferred to EDC				970		1,223		
Depreciation transferred to P&L account				45,080		34,962		
Depreciation adjusted in Capital Reserve				6,808	52,858	6,750	42,935	
Amplification Contribution from GCUF								
Fixed Assets Costing More Than ₹1500.00 But Less Than ₹5000.00 Procured and Depreciated Fully During The Year				18		35		

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

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

Note :-11

CAPITAL WORK IN PROGRESS

Amount In lac ₹

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



Note 11.1

EXPENDITURE DURING CONSTRUCTION

Amount In lac ₹

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

Note :-12

DEFERRED TAX ASSET

Amount In lac ₹

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



Note -13

LONG TERM LOANS AND ADVANCES

Amount In lac ₹

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

Note :-14

OTHER NON CURRENT ASSETS

Amount In lac ₹

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

Note :-15

INVENTORIES

Amount In lac ₹

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

Note :-16

TRADE RECEIVABLES

Amount In lac ₹

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



Note :-17

CASH AND CASH EQUIVALENTS

Amount In lac ₹

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

Note :-18

SHORT TERM LOANS AND ADVANCES

Amount In lac ₹

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

Note :-19

OTHER CURRENT ASSETS

Amount In lac ₹

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

Note :-20

REVENUE FROM OPERATIONS

Amount In lac ₹

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

20.1 (i) The Hon'ble Central Electricity Regulatory Commission (CERC) had notified in March, 2004 the regulations called the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004. These regulations came into effect on 01.04.2004, and remained in force for a period of 5 years. Company filed the petition before CERC for fixation of provisional tariff following the principles enunciated by the Hon'ble CERC in Regulations, 2004.

Hon'ble CERC had issued provisional Tariff Order dated 28th December 2006 stating that the tariff approved is an interim measure, and is in derogation of Annual Fixed Charges claimed in the petition and accordingly, there shall not be any computation of Secondary Energy & Capacity Index for the period upto 31.03.2007. Aggrieved by the impugned order, Company filed appeal before the Hon'ble Appellate Tribunal for Electricity which, in its Order dt.02.07.2007, stated that the Commission while determining the final tariff will consider all the relevant contentions of the parties involved.

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

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

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

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

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

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



Note :-21

OTHER INCOME

Amount In lac ₹

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

Note :-22

EMPLOYEE BENEFITS EXPENSES

Amount In lac ₹

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

Note :-23

FINANCE COSTS

Amount In lac ₹

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

Note :-24

GENERATION ADMINISTRATION AND OTHER EXPENSES

Amount In lac ₹

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

Note :-25

PROVISIONS

Amount In lac ₹

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



Note :-26

PRIOR PERIOD INCOME / EXPENDITURE (NET)

Amount In lac ₹

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

Note :-27

PROVISION FOR TAXATION

Amount In lac ₹

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

28. The financial statements for the year ended 31st March 2011 were prepared as per the then applicable Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31st March 2012 are prepared as per the Revised Schedule VI. Accordingly, the previous year figures have also been reclassified/regrouped/rearranged wherever necessary to conform to this year's classification. The adoption of revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

29. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 189581.57 lac [Previous year (P.Y.) ₹ 15854.17 lac.

30. CONTINGENT LIABILITIES

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

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

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

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

In the meeting held on 27.03.2009 under chairmanship of secretary (power), MOP it was mutually settled that GOUK shall reimburse the expenditure of ₹ 7800.00 lac due on account of extra space provided by THDCIL for residential / nonresidential buildings after adjusting the amount due from THDCIL towards royalty on clay/shell material used in construction of Dam. Further it was agreed that being a mutual settlement neither GOUK nor THDCIL shall charge interest on the amounts due to each other. Accordingly, interest of ₹ 1857.42 lac recoverable from GOUK has been adjusted. It was further decided that the amount of royalty charges shall be worked out on the basis of actual quantities as provided by THDCIL. Royalty has been calculated which comes to ₹ 3820.00 lac. The balance amount of ₹ 1920.00 lac after deducting deposited amount of ₹ 1900.00 lac with D.M. has been adjusted against



₹ 7800.00 lac and balance amount of ₹ 5880.00 lac has been shown as recoverable from GOUK in Note-13. The matter was further discussed in the meeting held on 11.05.2010 chaired by JS(Hydro) wherein representative of GOUK assured that the matter will be taken up with the State Finance Department for early release of amount.

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

34. (i) The total interest and other cost incurred on Borrowed funds for the year is ₹ 56072.00 lac (P.Y. ₹ 51675.35 lac). The amount of borrowing cost capitalized during the year is ₹ 8598.32 lac (P.Y. ₹ 15489.18 lac) after adjustment of an amount of ₹ 17.07 lac (P.Y. ₹ 25.01 lac) towards interest earned on short term deposit of surplus borrowed funds during the year.

(ii) The amount of foreign exchange fluctuation during the year ₹ 467.14 lac (P.Y. ₹ 213.36 lac) is adjusted to the Capital Work In Progress/Assets.

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

36. As per Corporate Personnel circular no. 05/2011, dated 05/04/2011, employer's contribution towards superannuation benefit shall be 30% of basic pay & dearness allowance of the employees w.e.f., 01.01.2007. This shall include Employees Provident Fund (EPF), Gratuity, Pension and Contributory Scheme of Post Retirement Medical Facilities. Pending finalization of pension scheme, provision in pension fund for approx 10% of basic pay & DA has been made in accounts.

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

Further, Rehabilitation CWIP and EDC thereon relating to Tehri HPP stage-I & Koteswar amounting to ₹ 5976.95 lac (P.Y. ₹ 7277.46 lac) have been capitalized during the year 2011-2012 which include ₹ 766.12 lac (P.Y. ₹ 1237.33 lac) towards cost of 600.09 acres (P.Y. 754.245 acres) of land acquired for rehabilitation.

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

- (iii) Pursuant to the Government of India, MOE&F, New Delhi's order no. F.No. 8-3/89-FC dated 17/23rd Oct., 2002- the Government of Uttarakhand vide its office order no. GI-186/7-1-2002-300(459)/88 dated 30th Oct., 2002 has issued order for diversion of 338.932 hectare Civil Soyam and Forest land on lease for a period of 30 years in favour of the Company, for the purpose of construction of Koteswar Dam Project (4x100 MW). The lease deed for 337.057 hectare land has been executed w.e.f. 01.01.2003 with Govt. of Uttarakhand. The lease deed for 1.875 hectare Forest land, for which payment has been made, is pending for completion of legal formalities and has been shown as lease hold Land. Out of 338.932 hectare, 218.307 hectare is below submergence area and is shown under rehabilitation has been capitalized on completion of Dam. The amount of ₹ 67.84 lac against 120.625 hectare land above submergence area is being amortized in 30 years.

- iv) The Land measuring 14.37 acres transferred free of cost by Govt. of Uttarakhand for construction of

- Koteshwar Dam Project (4x100 MW) to the Company has been accounted for at notional value of ₹ 1/-.
- v) MOE&F, Government of India vide order no 08B/UCP/06/312/2006/FC/144 dated 29.04.08 has sanctioned 5.75 hectare of forest land on lease for a period of 30 years in favour of the Company for construction of roads at Vishnugad Pipalkoti project for which lease premium has been paid. The same has been shown as leasehold land. However, legal formalities are yet to be completed.
38. i) Discrepancies observed during physical verification of fixed assets by the Physical verifier, which are not significant in nature are being examined and reconciled. Necessary adjustment. If any, shall be made on final reconciliation.
- (ii) In the absence of actual cost, certain assets, found in excess during physical verification, have been recorded at a notional value of ₹ 1/- each.
39. Balances shown under advances, debtors, creditors and materials in transit / lying with contractors are subject to confirmation / reconciliation and consequent adjustments, if any.
40. PNB had wrongly debited current account of the Corporation in Dec' 2011 and in January 2012 by ₹ 9.27 Crores. The matter was brought to the notice of PNB Officials and later on it was informed that the same was on account of forged cheques. However, the bank has subsequently credited the total amount of ₹ 9.27 crores on 1st may 2012 alongwith interest amounting to ₹ 3314641.00 in our current account. An FIR was lodged by the bank and the matter is being investigated by CBI as per information given by bank.
41. Losses / Shortages pending investigation ₹ 0.71 lac (Previous year ₹ 0.89 lac) represents shortages. Pending the approval of the competent authority, adjustment for the same is yet to be made.
42. (i) 45 flats (P.Y. 90 flats) on the land acquired by the Company are in the unauthorized occupation of various persons. The Government of India has appointed Estate Officers for necessary action and eviction in the matter. The possibilities of legal action are being looked into by the Company.
- (ii) Transit camp constructed in THDC complex at 26, E.C. Road, Dehradun having value of ₹ 20.10 lac is being used by THDC and various departments of Govt. of Uttarakhand who are responsible for Rehabilitation works of Tehri Dam Project / KHEP. However, after completion of rehabilitation activities such assets will remain in the possession of the Company.
- (iii) Freehold land includes 0.458 hectares, located at Sautiyal Village encroached by unauthorized occupants.
- (iv) Office building area 380 square meter approx constructed in THDC office Complex, By-Pass Road, Rishikesh, the value of which is yet to be ascertained, is being used by Uttarakhand Irrigation department, Govt. of Uttarakhand, who are handling the Rehabilitation works of Tehri Dam project/ KHEP. However, after completion of Rehabilitation activities such assets will remain in the possession of the Company.
43. As per the Articles of Association, the cost of Irrigation Component of the 1000 MW Tehri HPP Project which is 20% of the total cost has to be borne by GOUP as Consumer's contribution. Total cost incurred on the project upto 31.03.2012 works out to ₹ 839245.05 lac (P.Y. ₹ 839245.05 lac) out of which, as per the formula, cost of Irrigation Component works out to ₹ 144133.80 lac (P.Y. ₹ 144133.80 lac). The Government of Uttar Pradesh has contributed ₹ 144118.38 lac as on 31.03.2012 (P.Y. ₹ 144118.38 lac).
44. As per clause no 61(B) of the Articles of Association, maintenance charges payable by GOUP towards the maintenance of irrigation sector are to be mutually agreed by the Company and Govt. of U.P. Pending a written agreement, the same has not been shown as recoverable from Govt. of U.P.
45. Commercial operation of Tehri HPP-1 and KHEP, Generating Stations have been declared during the year 2007-08 and 2011-12 respectively. The management is of the opinion that in respect of Cash Generating Unit (CGU) represented by Tehri HPP-1 & KHEP, there have been no impairment in the value of assets during the year in terms of Accounting Standard (AS) 28 "Impairment of Assets".



46. (i) Electricity generation is the principal business activity of the Company. Other Operations viz., Consultancy works do not form a reportable segment as per the Accounting Standard – 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.
- (ii) The Company has power stations located within the country and therefore, geographical segments are not applicable.

47. Related Party Disclosure:

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

a. Related Parties – Key Management Personnel:

Whole time Directors:

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

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

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

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

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

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

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

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

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

49. In compliance to the Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, The net increase in the deferred tax assets of ₹ 6523.58 lac (P.Y. increase in Deferred tax liability ₹ 5789.83 Lac) has been booked to Profit and Loss Account. The deferred tax assets pertaining to the period upto 31st March 2009 is refundable to the beneficiaries, thereafter, it is a part of the current tax as per CERC regulation 2009-2014 and not refundable. The item-wise detail of cumulative Deferred Tax Liability/Assets is as under:

₹ in lac

Sl. no		31.03.2012	31.03.2011
	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	13116.56	6867.55
iii)	Advance against Depreciation to be considered as income in tax computation	9625.04	9625.04
iv)	Provision for doubtful debts	157.83	107.39
v)	Provision for employee benefit schemes	3229.61	3005.48
	Net Deferred Tax Liability/(Assets) (A-B)	(26129.04)	(19605.46)

50. In line with the Guidelines issued by Govt. of India, Company is required to incur expenditure on Corporate Social Responsibility (CSR) activities @ 2% of Profit Before Tax for the year 2010-2011 during the year 2011-2012. Provision for unspent amount has been made by way of non-lapsable CSR fund.
51. In the opinion of the Management, the value of Fixed Assets, construction stores Loans & Advances on realisation will not be less than the value at which these are stated in the Balance-Sheet.
52. a) Based on the information available with the company, there are no suppliers/service providers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as on 31st March 2012.
b) No payment is due for more than 30 days as at 31st March, 2012 in respect of purchases/services made from small scale/ancillary industries.
53. i) The Govt. of Maharashtra vide letter no. MIS-1207/(126/2007)/HP dated 21.04.2008 has entrusted two Pumped Storage Schemes (PSS) for Survey & Investigation of Malshej Ghat (600 MW) on river Kalu (Distt. Pune) and Humbarli (400 MW) on upstream of Koyna Project (Distt. Satara) in Maharashtra State to the Joint Venture of THDC and NPCIL. An agreement has been signed between THDC & NPCIL in August, 2008 and the works of Survey and Investigation have been taken up and an amount of ₹ 856.18 lac (P.Y. ₹ 623.21 lac) has been spent by THDC upto 31st March 2012 which is shown as recoverable from Joint Venture Company which is yet to be incorporated as on 31st March 2012.
ii) Govt. of India vide D.O. no.11/01/2008-BBMB dated 22.07.2008 has entrusted the updation work of the DPRs of Sankosh Project (4060 MW) and Bunakha HEP (180 MW) in Bhutan to THDCIL on consultancy basis. The agreements for the same have been signed between THDC India Ltd. and Royal Govt. of Bhutan on 23.03.10 for ₹ 1682.075 lac and 24.06.10 for ₹1378.75 lac respectively. Accordingly, work of updation of DPR has been taken up by THDC India Ltd.
(iii) MOU has been signed between THDCIL, GOUP and UPPCL for establishing 1320 MW coal based super thermal power station at Khurja, District- Bulandshahar, U.P. subject to establishment of its techno-economic viability, tie up for fuel, funding, commitment for off take of power, signing of PPAs & obtaining



of necessary clearances/approvals. Accordingly initial work for preliminary feasibility report (PFR) has been taken up by THDC India Ltd.

54. The Company is assisting the Govt. of Uttarakhand in the work of stabilization of Varunavat Parvat as per instructions of Govt. of India as a social responsibility. The expenditure incurred is to be reimbursed by the Govt. of Uttarakhand. Against an expenditure of ₹ 878.81 lac (P.Y. ₹ 787.17 lac) a sum of ₹ 566.36 Lac (Previous years ₹ 566.36 Lac) has been so far reimbursed to the Company.
55. As decided by the Govt. of India in Dec. 1998, the State Govt. of U.P./Uttarakhand (GOUP/ GOUK) have been entrusted with the responsibilities of rehabilitation activities of the Project, to be handled directly by them out of the funds to be made available by the Company. The expenditure incurred has been accounted for in the books of accounts of the Company as per consolidated expenditure details provided by GOUK which is compiled based on the monthly account rendered by the respective divisions of the GOUK to the AG, Uttarakhand. Establishment expenses of the Personnel of the GOUK engaged in the rehabilitation work have been booked to the extent reflected in the account statements received. Reimbursement of charges met directly by GOUK to be accounted for on receipt of claim for the same.
56. Cost of land & building constructed at Kederpuram for rehabilitation of Tehri Dam oustees is included in unclassified land. Some of the buildings and appurtenant land not allotted to oustees is being used by Company. The title deed of the same is yet to be transferred in favour of the Company. Pending linking of details of cost from Rehabilitation record, the same is not transferred to land & building.
57. i) Recoveries from KCT towards deduction against quantity variation as per contract provision of power house, the matter was referred to Arbitration as per court order and accordingly, the arbitral proceedings were commenced. Meanwhile, KCT challenged the appointment of Presiding Arbitrator. Thereafter, Tribunal pronounced its order that appointment of Presiding Arbitrator is in order which was challenged by KCT before District court, Tehri. The order of District court, Tehri maintaining the KCT's stand has been stayed by Hon'ble High Court, Nainital and matter is still pending in the Nainital High Court as a result arbitral proceedings are still pending till disposal of case in Nainital High Court. The value of assets created under these contracts will vary depending upon finalization of case.

(ii) Advance to contractors include ₹ 19051.74 lac (Principal ₹ 12505.18 lac and interest @ 16% ₹ 6546.56 lac) [P.Y. ₹ 20478.75 lac(Principal ₹ 15899.99 lac & interest @ 16% ₹ 4578.76 lac)] towards amount recoverable from contractor (M/s. PCL) of the KHEP on account of risk & cost clause, mobilisation advance & equipment advance. The value of security (performance guarantee/cash) available with THDC upto 31.03.2012 is amounting to ₹ 5628.71 lac (P.Y. ₹ 5628.71 lac) only. In case of arbitration in respect of PCL, THDCIL had filed counter claim before Tribunal. While awarding the arbitral award, the interest on risk and cost advance has been disallowed by the Tribunal. A writ petition has been filed by THDCIL before High Court against the arbitral award. Pending Court decision no provision for interest has been made in the books.
58. During the year 2010-11 due to very heavy rains flooding occurred in KHEP project and resulted in damages to some equipments in the works of Koteshwar Project which was in construction stage and damage was estimated amounting to ₹ 3873.71 lac approx. Insurance claim for damages has been lodged by the contractor i.e. M/s BHEL. The expenditure incurred on restoration / resumption of works have been shown under CWIP. On receipt of insurance claim amount the same shall be adjusted from CWIP. Further, out of total claims lodged by M/s BHEL, claims for ₹ 999.80 lac have been received from the Insurance Company and same has been accounted for in F.Y. 2011-12.
59. During the year the company has provided depreciation at the rates notified by Central Electricity Regulatory Commission (A body constituted under erstwhile Electricity Regulatory Commission Act, 1998 and recognized under the Electricity Act, 2003) for the purposes of tariff, which are different from the rates specified under Companies Act, 1956. The MOP – GOI had notified Tariff policy which provides that the rates of depreciation notified by CERC would be applicable for the purpose of tariff as well as accounting. Pending formalization of norms by CERC in accordance with the Tariff Policy, the rates notified under present Tariff Regulation 2009-2014 are considered appropriate for charging depreciation for the year.

60. (i) The Company has taken on lease/rent premises for employees / offices / Guest Houses/Transit camps & vehicles. These lease arrangements are usually renewable on mutually agreed terms but are generally not cancellable. Rent rate and taxes include ₹ 697.72 lac (P.Y. ₹ 774.77 lac) towards lease payment (net off recoveries).

(ii) THDCIL has taken office on lease covering 2270 sq. ft. area from Delhi Metro Railway Corporation Ltd. at NBCC Building, Lodhi Road, New Delhi on 1st July 2010 for a 6 years period @ ₹ 212 per sq. ft, totaling to ₹ 481240.00 plus service tax. The portion of leased office accommodation has been sub leased to Ministry of Environment & Forests upto 8th Nov. 2012 covering 1870 sq. ft. area @ ₹ 212 per sq. ft totaling to ₹ 396440.00.

61. i) Company pays fixed contribution to provident fund at pre-determined rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to profit & loss account. Accordingly, as per Actuarial valuation the liability due to statutory interest rates guaranteed for provident fund as on 31.03.2012 as per AS-15(Revised) comes to ₹ 589.77 lac (P.Y. ₹ 323.03 lac) as against the revenue surplus of ₹ 43.38 lac (P.Y. ₹ 20.35 lac) available with the trust as on the Balance Sheet date. Therefore, an amount of ₹ 546.39 lac (P.Y. ₹ 302.68 lac) is shown as liability for CPF. During the year ₹ 243.71 lac (P.Y. 202.65 Lac) has been provided in the accounts.

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

Provision for employee benefits has been made for the current period using the Actuarial Valuation done as at 31.03.2012. Accordingly, disclosure under the provision of Accounting Standard 15 on "Employee Benefits" for the Financial Year ended 31.03.2012 is given below:

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

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

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

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



Table – 3 :
Amount Recognised in Balance Sheet

₹ in Lac

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

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

₹ in Lac

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

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

63. Change in Accounting Policy:-

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

64. Payment to Auditors

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

*Subject to approval in Annual General Meeting

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

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



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

66. Licensed and Installed Capacities:-

SL No	Particulars	2011-2012	2010-2011
(i)	Licensed Capacity (M.W)	Not Applicable**	Not Applicable**
(ii)	Installed Capacity (M.W)	1400 MW	1200MW
(iii)	Approved Capacity(M.W)- Based on investment approval by CCEA)	2844 MW	2844 MW
(iv)	Quantitative information in respect of Generation and sale of Electricity (In Million Units)		
(a)	Pre – Commercial period		
	Generation	45.1769 MU	0.4338 MU
	Sales	44.7251 MU	0.4295MU
(b)	Commercial period		
	Generation	4546.0793 MU	3116.0253 MU
	Sales (net of free power to home state, auxillary consumption and transformation losses)	3983.6996 MU	2730.5833 MU

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

For and on Behalf of Board of Directors

(S. Q. Ahmad)
Company Secretary

(C. P. Singh)
Director (Finance)

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

As Per Our Report of Even Date Attached
For **BHATIA & BHATIA**
Chartered Accountants
FRN 003202N of ICAI

(Ravinder Bhatia)
Partner
Membership No.:- 17572

Date:- 31.08.2012

Place:- New Delhi



CASH FLOW STATEMENT FOR THE YEAR 31-March-2012

Amount In lac ₹
(Figures In Parenthesis Represent Deduction)

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

Amount In lac ₹
(Figures In Parenthesis Represent Deduction)

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

Note:

1. Cash and Cash Equivalents includes Balance with Banks of ₹ 231.78 Lac (Previous year ₹ 136.78 Lac)which is not available for use by the Corporation.
2. Previous year's figures have been Regrouped / Rearranged / Recast wherever necessary.

For and on Behalf of Board of Directors

(S. Q. Ahmad)
Company Secretary

(C. P. Singh)
Director (Finance)

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

As Per Our Report of Even Date Attached
For BHATIA & BHATIA
Chartered Accountants
FRN 003202N of ICAI

(Ravinder Bhatia)
Partner
Membership No.:- 17572

Date:- 31.08.2012

Place:- New Delhi



AUDITOR'S REPORT

To,
The Members,
THDC India Limited

1. We have audited the attached Financial Statements of THDC India Limited (the company) which comprises balance Sheet as at March 31, 2012, and Statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date and significant Accounting Policies and other explanatory information annexed thereto. These financial statement are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the companies (Auditor's Report) Order, 2003, read with companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in term of section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we enclose in the

Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order to the extent applicable to the company.

4. Without qualifying our report, we draw attention to the following :-
 - a) Note No. 20.1 (i & ii) - Accounting of sales is being done on provisional basis pending final fixation of tariff by CERC.
 - b) Note No. 33- Regarding balance amount due from Govt. of Uttarakhand amounting to ₹ 5,880.00 Lacs on account of extra space as remaining due on 31.03.2012, after adjustment of dues towards Royalty which are yet to be recovered.
 - c) Note No. 37 (i) - Rehabilitation expenditure of ₹ 5976.95 Lacs capitalized in accounts under the head 'Unclassified Land' which has been booked in accounts on the basis of account statements received from Uttarakhand Government / Govt. Authorities and thus not subject to verification by us.
 - d) Note No. 39 - The balances for Sundry Debtors, Sundry Creditors, Security Deposits / Earnest Money Deposits, Loans & Advances are subject to confirmation and reconciliation.
 - e) Note No. 42 (i) - Relating to unauthorized occupation of 45 flats (previous year 90 flats) by various persons on the land acquired by the Company.
 - f) Note No. 57 (ii)- Advance to contractors includes ₹ 19051.74 Lacs towards the works executed at the risk and cost of the KHEP contractor (M/s PCL) against the security of ₹ 5628.71 Lacs.

5. Further to our comments in the annexure referred to in paragraph no. 3, and read with other items on which attention is drawn vide paragraph no. 4 above we report that:
- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books.
 - The Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - In our opinion, the Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956
 - In pursuance to the notification No. GSR 829(E) dated 21.10.2003, issued by the Department of Company Affairs; clause (g) of sub-section (1) of section 274 of Companies Act, 1956 is not applicable to a Government Company.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon attached thereto, give the information required by the Companies Act 1956, in the manner so required, and give a true & fair view in conformity with the Accounting principles generally accepted in India:
- in the case of Balance Sheet, of the state of affairs of the company as at 31st March 2012.
 - in the case of Statement of Profit and Loss Account, of the profit for the year ended on that date, and
 - in the case of the Cash Flow Statement, of the cash flow of the company for the year ended on that date.

For BHATIA & BHATIA
Chartered Accountants
FRN 003202N of ICAI

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

Place:- New Delhi

Date:- 31st August, 2012



ANNEXURE TO THE AUDITOR'S REPORT

(ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE)

1. In respect of its Fixed Assets:

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

2. In respect of its inventories:

- a) Physical verification of inventory has been conducted by Independent Firm of Chartered Accountants, except for the material lying with the contractors. In our opinion frequency of verification is reasonable.
 - b) The procedures of physical verification of inventory, followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The Company has maintained proper records of inventory.
3. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, Clause (iii) of paragraph 4 of the Order is not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems, commensurate with the size of company and nature of its business, with regard to purchase of inventory and fixed assets. During the course of our audit we have neither come across nor have been informed of any continuing failure to correct major weakness in

the underlying internal control systems.

5. Based on the audit process applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need be entered in the register required to be maintained under that Section. The question of reasonableness of transactions ₹ 500000/- or more during the year does not arise.
6. Since the company has not accepted any deposit from the public, the question of compliance with the directives issued by the Reserve Bank of India and the provisions of section 58-A, 58-AA and other relevant provisions of companies Act, 1956, and rules framed there under, does not arise.
7. The Company has an Internal Audit system wherein external Chartered Accountant Firms are appointed to carry out periodic audits of different units of the Company. In our opinion, the scope and coverage of internal Audit are commensurate with the size and nature of its business.
8. The Central Government has prescribed maintenance of cost Records under Section 209 (1) (d) of the Companies act, 1956. The Company is maintaining the required Cost Records. However, the Cost audit for the year 2011-12 has not been conducted so far.
9. a) According to the information and explanation given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, custom duty, excise duty and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as on 31.3.2012 for a period of more than six months from the date they became payable. As informed, the provisions of the Employees State Insurance Act are not applicable to the Company.
b) According to information and explanation given to us, following disputed income tax/ trade tax / entry tax dues have not been deposited.

Assessment Year	Amount (₹ in Lac)	Nature of Dues	Present Status
1986-87	45.30	Trade Tax	Against the amount of the interest imposed by Assessing authority, the case had been remanded back by Dy. Commissioner (Appeal), Dehradun and re-assessed by Assessing Authority with the same amount. THDC filed an appeal with JC (Appeal) against the order of A.O. and JC (Appeal) has granted the stay order. During FY 10-11, 1 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 Nainital against the decision of Tribunal for the interest amount imposed by Assessing Authority.
1993-94	0.39	Trade Tax	Commercial Tax deptt has filed an Appeal before High court Nainital against the decision of Tribunal for relief of Tax on Right to use.
1994-95	0.88	Trade Tax	The Trade/ Commercial Tax deptt has filed an appeal before High Court Nainital against decision of Tribunal for the interest amount imposed by Assessing Authority.
1994-95	1.10	Trade Tax	Commercial Tax deptt has filed an Appeal before High Court Nainital against the decision of Tribunal for relief of Tax on Right to use.
1997-98	0.60	Trade Tax	Commercial Tax deptt has filed an Appeal before High court Nainital against the decision of Tribunal for relief of Tax on Right to use.
2000-01 Interest for 137 months	136.35 373.60	Entry Tax	The Entry Tax case is pending before Addl. Commissioner (Appeal), Dehradun.
2007-08	0.75	Trade Tax	THDCIL has filed appeal against the demand raised in assessment order dated 28.02.2011.

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



applied the term loans for the purpose, they were raised during the year.

17. In our opinion, on an overall basis, and according to the information and explanations given to us, the company has not used the funds raised on short term basis for long term investment.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the act during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not made any public issue of any securities during the year.
21. During the course of our examination of books and records of the company for the year, carried out in accordance with the generally accepted

auditing practices in India, we have neither come across any instances of fraud on or by the company, nor have we been informed of such cases by the Management.

For BHATIA & BHATIA
Chartered accountants
FRN 003202N of ICAI

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

Place: New Delhi
Date: 31st August, 2012



गोपनीय

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

कार्यालय : प्रधान निदेशक, वाणिज्यिक लेखा परीक्षा

एवं पदेन सदस्य लेखा परीक्षा बोर्ड-III

नई दिल्ली

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

दिनांक/Dated 11-09-2012

सेवा में,

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

विषय: 31 मार्च 2012 को समाप्त वर्ष के लिये टी0 एच0 डी0 सी0 इण्डिया लिमिटेड, ऋषिकेश, के वार्षिक लेखों पर कम्पनी अधिनियम 1956 की धारा 619(4) के अन्तर्गत भारत के नियंत्रक-महालेखा परीक्षक की टिप्पणियाँ।

महोदय,

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

संलग्न: यथोपरि।

भवदीय,

(प्रवीण कुमार सिंह)

प्रधान निदेशक

छटा एवं सातवाँ तल, एनेक्सी बिल्डिंग, 10, बहादुरशाह ज़फर मार्ग, नई दिल्ली-110002
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 FOR THE YEAR ENDED 31 MARCH 2012

The preparation of financial statements of THDC India Limited for the year ended 31st March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with standards on auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 31 August 2012.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of THDC India Limited for the year ended 31 March 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956

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

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

Place: New Delhi
Dated: 11 September 2012