



Annual Accounts

For the Year 2012-13



SIGNIFICANT ACCOUNTING POLICIES 2012-13

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 pre-condition for the acquisition of the land for the purpose of the project, is carried forward in the Capital Work in Progress of Rehabilitation. On the commercial operation of the project the same shall be capitalized as Land-unclassified.

- ii. Deposit works are accounted for on the basis of statements of account received from the Agencies concerned.
- iii. In respect of supply-cum-erection contracts, the value of supplies received at site is treated as Capital-Work-in-Progress.
- iv. Claims for price variation in case of contracts are accounted for on acceptance.
- v. Administration and General overhead expenses of Corporate office / Service centers attributable to Construction of Fixed assets are identified and allocated on a systematic basis to Construction projects.

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

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

6. Borrowing Costs

- i. Borrowing costs directly relatable to acquisition and construction of specific qualifying assets are capitalized as a part of the cost of such asset upto the date when such asset is ready for its intended use.

- ii. Borrowing costs in respect of funds borrowed generally and used for the purpose of obtaining a qualifying asset but not directly relatable to specific Fixed Assets during their construction are capitalized. Such borrowing costs are apportioned on the average balance of capital work in progress for the year. Other borrowing costs are recognized as expenses in the period in which they are incurred.

7. Foreign Currency Transactions

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

8. Depreciation

- i. Depreciation is charged on straight-line method following the rates notified by the Central Electricity Regulatory Commission (CERC) for the purpose of fixation of tariff. In respect of assets, where rate has not been notified by CERC, depreciation is provided on straight line method as per rates prescribed under the Companies



Act, 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 5 years, whichever is earlier.

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the residual useful life of the related plant and machinery.

9. Stores & Spares

- i. Stores and spares are valued at cost determined on weighted average basis or net realizable value whichever is lower.

- ii. Diminution in value of obsolete and unserviceable stores and spares is ascertained on review and provided for.

10. Income & Expenditure Income Recognition

- i. Sale of energy is accounted for as per final tariff notified by Central Electricity Regulatory Commission (CERC). In case of Power Station where final tariff is not notified, recognition of revenue is based on the parameters and method provided in the applicable Regulations framed by the appropriate authority i.e CERC. The recognition of Revenue would be independent of the Provisional Rate adopted for the purpose of collection pending notification of 'Annual Fixed Charges' by CERC. Recovery / refund towards foreign currency variation in respect of foreign currency loans are accounted for on year to year basis.
- ii. Incentive / disincentives are accounted for based on the applicable norms notified / approved by the Central Electricity Regulatory Commission or agreements with the beneficiaries. In case of Power Stations where the same have not been notified / approved/ agreed with beneficiaries, incentives/ disincentives are accounted for on provisional basis.
- iii. Surcharge recoverable from sundry debtors for sale of energy and liquidated damages/ warranty claims are not treated as accrued due to uncertainty of its realization/ acceptance, and are therefore, accounted for on the basis of receipt/ 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 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 31.03.04 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-2013

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2013		As at 31-Mar-2012	
EQUITY AND LIABILITIES					
Shareholders' Funds					
(a) Share Capital	1	3,44,309		3,29,758	
(b) Reserves And Surplus	2	3,32,840	6,77,149	2,86,456	6,16,214
Share Application Money Pending Allotment			0		4,500
Non-Current Liabilities					
(a) Long Term Borrowings	3	3,46,624		4,48,834	
(b) Other Long Term Liabilities	4	23,364		28,754	
(c) Long Term Provisions	5	20,305	3,90,293	18,532	4,96,120
Current Liabilities					
(a) Short Term Borrowings	6	1,28,812		39,958	
(b) Trade Payables	7	34		50	
(c) Other Current Liabilities	8	72,086		69,445	
(d) Short Term Provisions	9	13,031	2,13,963	39,130	1,48,583
TOTAL			12,81,405		12,65,417
ASSETS					
Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	10	8,79,498		9,20,291	
(ii) Intangible Assets	10	109		136	
(iii) Capital Work in Progress	11	78,519	9,58,126	57,081	9,77,508
(b) Deferred Tax Assets (Net)	12		25,188		19,816
(c) Long Term Loans and Advances	13		59,744		57,593
(d) Other Non-Current Assets	14		49		515

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2013		As at 31-Mar-2012	
Current Assets					
(a) Inventories	15	2,558		1,660	
(b) Trade Receivables	16	2,30,701		1,90,897	
(c) Cash and Cash Equivalents	17	1,609		13,787	
(d) Short Term Loans and Advances	18	2,745		3,146	
(e) Other Current Assets	19	685	2,38,298	495	2,09,985
Total			12,81,405		12,65,417

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 : 09-07-2013

Place : New Delhi



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-March-2013

Amount in lac ₹

Particulars	Note No.	For The Year Ended 31 - Mar - 2013	For The Year Ended 31 - Mar - 2012
INCOME			
Revenue from Operations	20	1,95,614	2,04,558
Other Income	21	7,039	950
Total Revenue		2,02,653	2,05,508
EXPENSES			
Employee Benefits Expense	22	19,323	14,995
Finance Costs	23	60,510	53,173
Depreciation & Amortisation	10	47,435	45,080
Generation Administration and Other Expenses	24	15,188	11,774
Provisions	25	24	156
Total Expenses		1,42,480	1,25,178
Profit Before Tax		60,173	80,330
Prior Period Expenditure/ (Income) (Net)	26	422	96
Profit Before Tax		59,751	80,234
Tax Expenses	27		
Current Tax			
Income Tax		11,953	16,290
Wealth Tax		32	85
Deferred tax- Asset		(5,372)	(6,524)
Profit For The Year		53,138	70,383

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2013	As at 31-Mar-2012
Earning per equity share			
Basic (₹)		157.86	213.44
Diluted (₹)		157.86	213.42

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

For and on Behalf of Board of Directors

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Partner
Membership No.:- 17572

Date : 09-07-2013

Place : New Delhi



CASH FLOW STATEMENT FOR THE YEAR 31-March-2013

Amount in lac ₹
(Figures In Parenthesis Represent Deduction)

Particulars	For The Year 31 - Mar - 2013		For The Year 31 - Mar - 2012	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and Prior Period adjustments		60,173		80,330
Adjustments for:-				
Depreciation	47,822		45,143	
Provisions	24		156	
Advance against Depreciation-Deffered	(5,441)		0	
Interest on loans	60,510		53,173	
Prior Period Adjustments	(422)	1,02,493	(96)	98,376
Operating profit Before Working Capital Changes		1,62,666		1,78,706
Adjustment For :-				
Inventories	(920)		(48)	
Trade Receivables	(39,804)		(79,402)	
Other Assets	(185)		(389)	
Loans and Advances (Current + Non Current)	(648)		(2,257)	
Trade Payable and Liabilities	885		(18,537)	
Provisions (Current + Non Current)	(24,326)	(64,998)	22,504	(78,129)
Cash Generated From Operations		97,668		1,00,577
Direct Tax Paid		(11,985)		(16,375)
Net Cash From Operations (A)		85,683		84,202
B. CASH FLOW FROM INVESTING ACTIVITIES				
Change in:-				
Fixed Assets and CWIP	(35,204)		(36,011)	
Construction Stores	459		(139)	
Capital Advances	(1,102)		(18,964)	
Miscellaneous Expenditure (To the extent adjusted)	10		13	
Net Cash Flow From Investing Activities (B)		(35,837)		(55,101)

Amount in lac ₹
(Figures In Parenthesis Represent Deduction)

Particulars	For The Year 31 - Mar - 2013	For The Year 31 - Mar - 2012
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital (Including Pending Allotment)	10,051	4,500
Borrowings	(11,565)	52,754
Interest on loans	(60,510)	(53,173)
Dividend & Tax on Dividend	0	(24,639)
Net Cash Flow From Financing Activities (C)	(62,024)	(20,558)
D. NET CASH FLOW DURING THE YEAR (A+B+C)	(12,178)	8,543
E. OPENING CASH & CASH EQUIVALENTS	13,787	5,244
F. CLOSING CASH & CASH EQUIVALENTS(D+E)	1,609	13,787

Note:

1. Cash and Cash Equivalents includes Balance with Banks of ₹ 50 Lac (Previous year ₹ 232 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 : 09-07-2013

Place : New Delhi



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2013

Note :-1

SHARE CAPITAL

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2013		As at 31-Mar-2012	
		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 & Paid-up					
Equity Shares of ₹ 1000 /=- each Fully Paid up		3,44,30,917	3,44,309	3,29,75,817	3,29,758
TOTAL		3,44,30,917	3,44,309	3,29,75,817	3,29,758

Note :-1.1

RECONCILIATION OF NO. OF SHARES & SHARE CAPITAL OUTSTANDING

Particulars	Note No.	As at 31-Mar-2013		As at 31-Mar-2012	
		Number of Shares	Amount	Number of Shares	Amount
Opening		3,29,75,817	3,29,758	3,29,75,817	3,29,758
Issued		14,55,100	14,551	0	0
Reduction		0	0	0	0
Closing		3,44,30,917	3,44,309	3,29,75,817	3,29,758

Note :-1.2

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

Particulars	Note No.	As at 31-Mar-2013		As at 31-Mar-2012	
		Number of Shares	%	Number of Shares	%
Share holding more than 5 %					
I. GOI		2,50,81,517	72.85	2,37,37,017	71.98
II. GOUP		93,49,400	27.15	92,38,800	28.02
TOTAL		3,44,30,917	100.00	3,29,75,817	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 ₹ 278 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 ₹ 1119 lac including earlier reduction of ₹ 841 lac done in 1998-99.

Note :-2.

RESERVES & SURPLUS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2013		As at 31-Mar-2012	
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		34,359	1,09,760	27,595	1,16,524
Other Capital Reserve					
PHRD Grant from World Bank (For VPHEP Projects)					
Opening Balance		472		472	
Received during the year		0		0	
Utilised/adjusted during the year		0	472	0	472
Sub Total- "A"			1,10,232		1,16,996
Surplus In Profit & Loss Account					
Opening		1,69,470		1,23,726	
Add:- Profit for the year as per P&L Statement		53,138		70,383	
TOTAL PROFIT FOR APPROPRIATION			2,22,608		1,94,109
DIVIDEND					
Interim Dividend		0		0	
Proposed Dividend		0	0	21,200	21,200
TAX ON DIVIDEND					
Dividend Distribution Tax-Interim		0		0	
Dividend Distribution Tax-Proposed		0	0	3,439	3,439
Sub Total- "B"			2,22,608		1,69,470
Sub Total - "C" (A+B)			3,32,840		2,86,466
Misc. Expenditure (To the extent not written off or Adjusted)					
Opening Balance		10		23	
Addition during the year		0		1	
Utilised/adjusted during the year		(10)	0	(14)	10
Sub Total - "D"			0		10
TOTAL (C-D)			3,32,840		2,86,456

2.1 The Company has proposed dividend for the year 2012-13 @ ₹ Nil per equity share of par value of ₹ 1000/- each (Previous year ₹ 64.29 Per equity share).



Note :-3

LONG TERM BORROWINGS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2013	As at 31-Mar-2012
A.SECURED			
POWER FINANCE CORPORATION Ltd. (For Tehri HPP) *			
(Repayable upto 10 years on Quarterly instalment from 15th July2005 to 15th January 2015, carrying floating interest rate @10.75% p.a.)		0	4,535
(Repayable upto 10 years on Quarterly instalment from 15th July2005 to 15th January 2015, carrying floating interest rate @ 10% p.a.)		8,175	15,700
(Repayable upto 10 years on Quarterly instalment from 15th July2005 to 15th January 2015, carrying floating interest rate @9.75% p.a.)		6,900	6,900
POWER FINANCE CORPORATION Ltd. (For Tehri HPP) *			
(Repayable upto 15 years on Quarterly instalment from 15th october 2008 to 15th July 2023, carrying floating interest rate, @ 12.75% p.a.)		85,764	94,792
POWER FINANCE CORPORATION Ltd. (For KHEP) #			
(Repayable upto 10 years on Quarterly instalment from 15th January2012 to 15th October 2021, carrying floating interest rate, @12% p.a)**		0	8,000
(Repayable upto 10 years on Quarterly instalment from 15th January2012 to 15th October 2021, carrying floating interest rate, @11.50% p.a)**		0	60,068
(Repayable upto 10 years on Quarterly instalment from 15th January2012 to 15th October 2021, carrying floating interest rate, @11.25% p.a)**		0	14,113
(Repayable upto 10 years on Quarterly instalment from 15th January 2012 to 15th October 2021, carrying floating interest rate, @ 11% p.a)**		0	20,193
(Repayable upto 10 years on Quarterly instalment from 15th January2012 to 15th October 2021, carrying floating interest rate, @ 12.75% p.a)**		90,675	0

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2013	As at 31-Mar-2012
Rural Electrification Corporation Ltd. (REC) (For KHEP)#			
(Repayable upto 10 years on Quarterly instalment from 30th September 2012 to 30 June 2022, carrying floating interest rate,@12.5% p.a)		5,479	6,144
(Repayable upto 10 years on Quarterly instalment from 30th September 2012 to 30 June 2022, carrying floating interest rate, @12.25% p.a)		5,307	3,175
(Repayable upto 10 years on Quarterly instalment from 30th September 2012 to 30 June 2022, carrying floating interest rate, @12% p.a)		7,254	8,134
(Repayable upto 10 years on Quarterly instalment from 30th September 2012 to 30 June 2022, carrying floating interest rate,@11.5% p.a)		990	1,110
(Repayable upto 10 years on Quarterly instalment from 30th September 2012 to 30 June 2022, carrying floating interest rate @11.25% p.a)		6,872	7,704
(Repayable upto 10 years on Quarterly instalment from 30th September 2012 to 30 June 2022, carrying floating interest rate,@ 11% p.a)		7,810	8,757
(Repayable upto 10 years on Quarterly instalment from 30th September 2012 to 30 June 2022, carrying floating interest rate,@10.75% p.a)		24,099	29,795
Rural Electrification Corporation Ltd. (For Tehri HPP)*			
(Repayable upto 15 years on Quarterly instalment from September 2007 to March 2022, carrying floating interest rate, @12.5% p.a.)		67,070	9,079
(Repayable upto 15 years on Quarterly instalment from September 2007 to March 2022, carrying floating interest rate, @ 12% p.a)**		0	11,169
(Repayable upto 15 years on Quarterly instalment from September 2007 to March 2022, carrying floating interest rate, @12.25% p.a)**		6,829	0
(Repayable upto 15 years on Quarterly instalment from September 2007 to March 2022, carrying floating interest rate, @11.5% p.a)		2,246	4,632



Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2013	As at 31-Mar-2012
(Repayable upto 15 years on Quarterly instalment from September 2007 to March 2022 carrying floating interest rate @11% p.a)**		0	60,784
(Repayable upto 10 years from Nov 2006 to March 2018, carrying floating interest rate, @ 11.5% p.a)**		0	10,929
(Repayable upto 10 years from Nov 2006 to March 2018, carrying floating interest rate, @ 12.5% p.a)**		7,762	0
State Bank of India (For Tehri PSP)## State Bank of India (repayable on 10 years on Quarterly Installments from August 2016 to May 2026 Carrying Floating Interest rate @ Base rate+ 1.2% p.a.i.e.10.90%)		12,500	0
Punjab National Bank Punjab National bank, carrying floating Interest rate Base Rate + 1% p.a. i.e 11.25%)		0	50,000
TOTAL (A)		3,45,732	4,35,713
B. UNSECURED			
Foreign currency Loans \$ (Guaranteed by Govt. of India)			
KFW loan -9831(For Tehri HPP) (Repayable upto 10 years on half yearly instalment from June 2004 to December 2013, carrying interest rate @ EURIBOR plus 0.5%margin p.a, i.e. 0.875 %)		0	1,892
KFW loan -2896(For Tehri HPP) (repayable upto 10 years on half yearly instalment from Sept. 2004 to March 2014, carrying Fixed interest rate @5.91% p.a.)		0	400
World Bank Loan (For VPHEP) (repayable upto 23 years on half yearly instalment from 15th Nov. 2017 to 15th May. 2040 , carrying interest rate @LIBOR +variable spread., p.a. i.e. 0.99%)		892	829
Domestic Loans (For PSP) State Bank of India (Repayable on 10 years on Quarterly Installments from August 2016 to May 2026, Carrying Floating Interest rate @Base rate + 1.2% p.a. i.e. 11.20%)		0	10,000
TOTAL (B)		892	13,121
TOTAL (A+B)		3,46,624	4,48,834

* 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.

** These tranches of loans are reset during the year.

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

Long Term Loan secured by first charge on Pari Passu basis on assets of Tehri PSP

\$ With negative lien on the equipments financed under the respective loan ranking pari-passu.
There has been no default in repayment of any of the Loans or interest thereon during the year.

Note :-4

OTHER LONG TERM LIABILITIES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2013		As at 31-Mar-2012	
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:- Adjusted During The Year		5,441	22,890	0	28,331
Liabilities					
For Capital Expenditure		15		33	
For Micro And Small Enterprises.		0		0	
For Others		1	16	4	37
Deposits, Retention Money From Contractor etc.		455		385	
Other Liabilities		3	458	1	386
TOTAL			23,364		28,754

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,

LONG TERM PROVISIONS

Amount in lac₹
(Figures In Parenthesis Represent Deduction)

Particulars	Note No.	As at 01-Apr-2012	For The Year 31-Mar-2013			As at 31-Mar-2013
			Addition	Adjustment	Utilisation	
I. Works		0	0	0	0	0
II. Employee Related		17,455	4,456	(1,501)	(332)	20,078
III. Others		1,077	0	(850)	0	227
TOTAL		18,532	4,456	(2,351)	(332)	20,305
Figure for Previous Year		16,788	3,066	(831)	(491)	18,532

Disclosure required by AS-15 on employee benefit has been made in Note No.55



Note :-6

SHORT TERM BORROWINGS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2013		As at 31-Mar-2012	
A. Secured loans:					
Short term Loan From Banks and Financial Institutions					
Rural Electrification Corporation Ltd. (Carrying Floating Interest rate @ 13% p.a.)*			2,500		0
Power Finance Corporation Ltd. (Carrying Floating Interest rate @13.75% p.a.)			0		20,000
Cash Credit From Bank**					
Punjab National Bank (Carrying Floating Interest Rate @ Base rate+ 1% p.a. i.e 11.25%)			71,312		12,381
TOTAL (A)			73,812		32,381
B. Unsecured loans:					
Power Finance Corporation Ltd. (Carrying Floating Interest Rate @ 12.5% p.a.)			0		3,808
Power Finance Corporation Ltd. (Carrying Floating Interest Rate @ 12.25% p.a.)			0		3,769
Power Finance Corporation Ltd. (Carrying Floating Interest Rate @ 12.75% p.a.)***			25,000		0
Canara Bank(Carrying Floating interest Rate@ base rate p.a i.e. 10.25 %)			30,000		0
TOTAL (B)			55,000		7,577
TOTAL (A+B)			1,28,812		39,958
* Short Term Loan of ₹ 2500 Lac availed from REC on first charge on pari passu basis on assets of Tehri Stage-1 and Koteshwar.					
**O.D. Limit of ₹ 71312 Lac is Secured by way of 2nd Charge on Block of Assets of Company					
***STL of ₹ 25000 Lac availed from PFC by way of first charge on pari passu basis on Escrow Account.					
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-2013		As at 31-Mar-2012	
Trade Payable -MSMED			0		0
Trade Payable -Other than MSMED			34		50
Total			34		50



Note :-8

OTHER CURRENT LIABILITIES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2013		As at 31-Mar-2012	
Current maturity of Long Term debt*					
A. SECURED			52,480		50,729
TOTAL (A)			52,480		50,729
B. UNSECURED			2,333		2,293
Foreign currency Loans (Guaranteed by Govt. of India)					
TOTAL (B)			2,333		2,293
TOTAL (A+B)			54,813		53,022
Liabilities					
For Capital Expenditure		6,377		5,077	
For Micro And Small Enterprises.		0		0	
For Others		1,147	7,524	2,063	7,140
Deposits, Retention Money From Contractors etc.		2,496		2,113	
Other Liabilities		1,107	3,603	713	2,826
Interest Accrued But Not Due					
Financial Institutions		6,146		6,457	
Other Liabilities		0	6,146	0	6,457
TOTAL			17,273		16,423
TOTAL LIABILITIES			72,086		69,445
*Detail in respect of Rate of Interest and Terms of repayment of Current Maturity of Secured and un Secured Long Term debt Indicated above are disclosed in Note-3.					

Note :-9

SHORT TERM PROVISIONS

Amount in lac ₹
(Figures In Parenthesis Represent Deduction)

Particulars	Note No.	As at 01-Apr-2012	For The Year 31-Mar-2013			As at 31-Mar-2013
			Addition	Adjustment	Utilisation	
I. Works		1,882	262	(522)	(366)	1,256
II. Employee Related		9,013	5,304	(3,087)	(1,221)	10,009
III. Dividend (Interim and Final)		21,200	0	0	(21,200)	0
IV. Dividend Distribution Tax (Interim and Final)		3,439	0	0	(3,439)	0
V. Others		3,596	9,608	(9,854)	(1,584)	1,766
TOTAL		39,130	15,174	(13,463)	(27,810)	13,031
Figure for Previous Year		18,370	46,872	103	(26,215)	39,130

Disclosure required by AS-15 on Employee Benefits has been made in Note No.55.



Note :-10

FIXED ASSETS

(Figures in Parenthesis Represent Deductions)

Amount in lac ₹

Particulars	Gross Block		Depreciation		Net Block	
	As at 01-Apr-2012	Additions During the year	As at 01-Apr-2012	For The year 01-Apr-2012	As at 31-Mar-2013	As at 31-Mar-2012
Tangible Assets						
Lease Hold Assets						
1. Land Lease Hold	245	-	245	9	36	209
Other Assets						
2. Land Free Hold	2,162	1,291	3,453	-	-	3,453
3. Land Unclassified	1,41,036	2,822	1,43,842	4,825	26,741	1,17,101
4. Buildings	68,829	3,288	72,094	2,437	6,220	65,874
5. Building Temp. Structures	939	29	968	29	968	-
6. Road, Bridge & Culverts	9,210	663	9,873	341	949	8,924
7. Drainage, Sewerage & Water Supply	1,265	132	1,350	70	279	1,071
8. Construction Plant & Machinery	1,824	-	1,819	45	1,071	748
9. Generation Plant & Machinery	2,31,260	1,446	2,32,462	12,290	49,321	1,83,941
10. EDP Machines	1,221	88	1,283	141	921	462
11. Electrical Installations	811	7	818	52	155	663
12. Transmission Lines	1,798	17	1,815	98	442	1,373
13. Office & Other Equipment	3,616	255	3,762	237	1,167	2,595
14. Furniture & Fixtures	1,478	102	1,552	91	457	1,095
15. Vehicles	1,027	75	1,088	68	491	597
16. Railway Slidings	122	-	122	4	20	102
17. Hydraulic Works- Dams & Spillways	4,99,180	4,094	5,03,268	26,594	1,13,280	3,89,988
18. Hydraulic Works- Tunnel, Penstock, Canals etc	1,37,056	400	1,37,456	7,258	35,411	1,02,045
19. Unserviceable/Obsolete Assets at net book value or net realisable value whichever is lower.	173	-	55	-	-	55
20. Capital Expenditure on Assets not owned by the company.	2,615	-	2,615	59	2,413	262
Sub Total	11,05,869	14,709	11,19,940	54,648	2,40,442	8,79,498
Figures For Previous Year	10,42,566	63,402	11,05,869	1,32,718	1,85,578	9,20,291
Intangible Assets						
1. Intangible Assets-Software	322	15	337	42	228	109
Sub Total	322	15	337	42	228	109
Figures For Previous Year	267	55	322	48	186	136
Detail of Depreciations						
Depreciation transferred to EIDC						
Depreciation transferred to P&L account						
Depreciation adjusted in Capital Reserve-Irrigation Contribution from GOU						
Fixed Assets Costing More Than ₹500.00 But Less Than ₹5000.00 Procured and Depreciated Fully During The Year						
				Current Year	Previous Year	
				491	970	
				47,433	45,089	
				6,764	6,808	52858
				19	18	

10.1 Pending completion of legal formalities, title deeds of Brezhnev land measuring 112.928 acres amounting to ₹ 60. lac (P.V. 114.218 acres amounting to ₹ 70 lac) are yet to be registered in the name of the Company.

10.2 Expert Advising 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.	As at 01-Apr-2012	For The Year 31-Mar-2013			As at 31-Mar-2013
			Addition During The Year	Adjustment During the Year	Capitalisation During The Year	
Construction Work In Progress						
Building & Other Civil Works		4,080	1,519	(1)	(1,035)	4,563
Roads, Bridges & Culverts		2,272	1,485	(98)	(570)	3,089
Water Supply, Sewerage & Drainage		131	-	-	(96)	35
Generation Plant And Machinery		63	9,102	(388)	(104)	8,673
Hydraulic Works, Dam, Spillway, Water Channels, Weirs, Service Gate & Other Hydraulic Works		41,538	10,583	(5,051)	-	47,070
Afforestation Catchment Area		8	-	-	-	8
Electrical Installation & Sub-Station Equipments		15	1,249	-	-	1,264
Capital Expenditure On Assets Not Owned By Company		-	-	-	-	-
Others		314	123	(35)	-	402
Generation Plant And Machinery In Transit		217	159	(376)	-	-
Generation Plant And Machinery Under Inspection		-	-	-	-	-
Expenditure Pending Allocation						
Survey & Development Expenses		5,535	581	3,800	-	9,916
Exchange Variation		-	59	(59)	-	-
Interest Pending Allocation	23	-	10	(10)	-	-
Expenditure During Construction	11.1	1,159	(182)	-	-	977
Rehabilitation						
Rehabilitation Expenses (Net Of Recoveries Towards Token Cost And Rent)		1,749	785	-	(12)	2,522
Sub Total		57,081	25,473	(2,218)	(1,817)	78,519
Previous Year Figure		83,471	58,103	(30,130)	(54,363)	57,081
Intangible asset Under Development		0	0	0	0	0
Sub Total		0	0	0	0	0
Previous Year Figure		0	0	0	0	0



Note :-11.1

EXPENDITURE DURING CONSTRUCTION

Amount in lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2013		For The Year Ended 31-Mar-2012	
EXPENDITURE					
EMPLOYEE BENEFITS EXPENSES	22				
Salaries, Wages, Allowances & Benefits		7,794		9,347	
Contribution to Provident & Other Funds		486		721	
Pension Fund		395		448	
Gratuity		520		805	
Welfare		124	9,319	182	11,503
OTHER EXPENSES	24				
Rent					
Rent for office		75		90	
Rent for Employee Residence		343	418	426	516
Rate and taxes			4		21
Power & Fuel			419		371
Insurance			5		14
Communication			98		138
Repair & Maintenance					
Plant & Machinery		0		2	
Buildings		92		229	
Others		146	238	392	623
Travelling & Conveyance			350		403
Vehicle Hire & Running			157		341
Security			133		341
Publicity & Public relation			64		107
Other General Expenses			535		948
Loss on sale of assets			3		1
Survey And Investigation Expenses			0		33
Research & Development Expenses			0		61
Deferred Revenue Expenditure Written Off			1		1
DEPRECIATION	10		491		970
TOTAL EXPENDITURE (A)			12,235		16,392
RECEIPTS					
OTHER INCOME	21				
Interest					
From Bank deposit		10		17	
From Employees		71		104	
From Others		3	84	1	122
Machine Hire Charges			0		18
Rent Receipts			77		78

Amount in lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2013		For The Year Ended 31-Mar-2012	
Sundry Receipts			143		65
Excess Provision Written Back			160		428
Profit on Sale of Assets			1		20
TOTAL RECEIPTS (B)			465		731
PRIOR PERIOD ADJUSTMENTS	26		4		10
NET EXPENDITURE BEFORE TAXATION			11,774		15,671
PROVISION FOR TAXATION	27				
Wealth Tax		6	6	14	14
NET EXPENDITURE INCLUDING TAXATION			11,780		15,685
Balance Brought Forward From Last Year			1,159		546
TOTAL EDC			12,939		16,231
Less:-					
EDC Allocated To CWIP / Asset		11,199		14,476	
EDC Of Projects Under Approval Charged To Profit & Loss Account		763	11962	596	15,072
Balance Carried Forward To CWIP			977		1,159

Note :-12

DEFERRED TAX ASSET

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2013		As at 31-Mar-2012	
Deferred Tax Liability		(2,975)		(2,975)	
Deferred Tax Asset		34,476	31,501	29,104	26,129
Deferred Tax Adjustment			(6,313)		(6,313)
Total			25,188		19,816



Note :-13

LONG TERM LOANS AND ADVANCES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2013		As at 31-Mar-2012	
Capital Advances					
Unsecured					
i) Against Bank Guarantee		4,208		4,249	
ii) Rehabilitation & Resettlement (Govt. of Uttarakhand / SLAO)		10,757		13,859	
iii) Others		23,154		20,807	
iv) Accrued Interest On Advances		8,445	46,564	6,547	45,462
Less: Provision for Doubtful Advances			0		0
SUB TOTAL - CAPITAL ADVANCES			46,564		45,462
Loans To Employees					
Secured		2,670		2,653	
Unsecured		812	3,482	235	2,888
Interest Accrued On Loans To Employees					
Secured		1,988		1,868	
Un secured		59	2,047	14	1,882
Interest Accrued On Loans To Directors					
Secured		4		5	
Unsecured		0	4	0	5
Others					
Unsecured, considered good		0	0	9	9
Other Advances (Un Secured) (Advances Recoverable In Cash or In Kind or For Value To Be Received)					
To Employees		182		90	
To Directors		0		0	
For Purchases		1		1	
To Others		6,982	7,165	6,740	6,831
Deposits					
Security Deposit		190		257	
Deposit with Govt/Court		300		267	
Other Deposit		1	491	1	525
SUB-TOTAL			13,189		12,140
LESS:- Provision For Bad & Doubtful Advances			9		9
SUB TOTAL - ADVANCES			13,180		12,131
TOTAL LOANS AND ADVANCES			59,744		57,593
Note :- Due From Directors					
Principal			0		0
Interest			4		5
TOTAL			4		5
Note :- Due From Officers					
Principal			1		1
Interest			5		5
TOTAL			6		6

Note :-14

OTHER NON CURRENT ASSETS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2013		As at 31-Mar-2012	
Construction Stores (At Cost Determined On Weighted Average Basis or Net Realizable Value Whichever is Lower)					
Other Civil And Building Materials		0		29	
Others		6		438	
Material Under Inspection (Valued At Cost)		0	6	0	467
Sub Total			6		467
Prepaid Expenses		43		48	
Interest Accrued but not due		0	43	0	48
Sub Total			43		48
TOTAL			49		515

Note :-15

INVENTORIES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2013		As at 31-Mar-2012	
Inventories (At Cost Determined On Weighted Average Basis or Net Realizable Value Whichever is Lower)					
Other Civil And Building Material		176		173	
Others		2,653		1,802	
Material Under Inspection (Valued At Cost)		41	2870	9	1,984
Less: Provision For other stores			312		324
TOTAL			2,558		1,660

Note :-16

TRADE RECEIVABLES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2013		As at 31-Mar-2012	
Debts Outstanding Over Six Months					
Unsecured, Considered Good		1,09,990		1,00,958	
Considered Doubtful		0	1,09,990	10	1,00,968
Less:- Provision For Bad And Doubtful Debts			0		10
Other Debts					
Unsecured, Considered Good		1,20,711		89,939	
Considered Doubtful		0	1,20,711	0	89,939
TOTAL			2,30,701		1,90,897

Note :-17

CASH AND BANK BALANCES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2013		As at 31-Mar-2012	
Cash & Cash Equivalents					
Balances With Banks (Including Auto sweep, Flexi Deposit with Banks)			1,556		13,553
Cheques, Drafts, Stamps on hand			0		0
Cash on Hand			3		2
Other Bank Balances					
Others (Balance with Bank under Lien not available for use by the company)			50		232
TOTAL			1,609		13,787



Note :-18

SHORT TERM LOANS AND ADVANCES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2013		As at 31-Mar-2012	
Loans To Employees					
Secured		553		485	
Unsecured		58	611	25	510
Interest Accrued On Loans To Employees					
Secured		86		67	
Unsecured		1	87	1	68
Loans To Directors					
Secured		0		1	
Unsecured		0	0	0	1
Interest Accrued On Loans To Directors					
Secured		1		1	
Unsecured		0	1	0	1
Others					
Secured, considered good					
Unsecured, considered good		16	16	0	0
Other Advances (Un Secured) (Advances Recoverable In Cash or In Kind or For Value To Be Received)					
To Employees		278		206	
To Directors		0		0	
For Purchases		344		501	
To Others		399	1,021	1480	2,187
Deposits					
Security Deposit		79		1	
Tax Deposit		720		126	
Deposit with Govt/Court		210		252	
Other Deposit		0	1,009	0	379
SUB-TOTAL			2,745		3,146
LESS:- Provision For Bad & Doubtful Advances			0		0
TOTAL ADVANCES			2,745		3,146
TOTAL LOANS AND ADVANCES			2,745		3,146
Note :- Due From Directors					
Principal			0		1
Interest			1		1
TOTAL			1		2
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-2013		As at 31-Mar-2012	
Prepaid Expenses			684		469
Interest Accrued			1		26
TOTAL			685		495

Note :-20

REVENUE FROM OPERATIONS

Amount in lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2013		For The Year Ended 31-Mar-2012	
Energy Sales		1,87,741		2,02,238	
Add:					
Advance Against Depreciation		5,441		0	
Less:					
Advance Against Depreciation- Deferred		0	1,93,182	0	2,02,238
FRRV Recovery From Beneficiaries			576		433
U.I. / Congestion Charges			1,770		1,660
Consultancy Income			86		227
TOTAL			1,95,614		2,04,558

20.1 (i) Hon'ble Central Electricity Regulatory Commission (CERC) has issued tariff order dated 16.04.2013 in respect of Tehri HPP Stage-I (1000 MW) for the period 22.09.2006 to 31.03.2009. in view of the order, revenue already recognized for the said period has been revised and the bills for the revised revenue and Incentive of (₹ 11217 Lac) after considering AAD of ₹ 5541 Lac as per the above tariff order for this period have been raised and accounted for in the current year.

The tariff petition for period 2009-14 had been submitted before the Hon'ble Commission on 4th November 2011. However, in line with the principles stated in the tariff order dated 16.04.2013, tariff petition forms for the period 2009-14 have been revised and got certified from the Statutory Auditors considering (i) the audited expenditure incurred up to 2011-12, (ii) Actual provisional expenditure for 2012-13, and (iii) budgeted expenditure for 2013-14. Accordingly, the revenue for the period 2009-10 to 2011-12 has been revised and the impact of (₹-2709 Lac) has been recognized in the current year.

However, the Company is aggrieved on many issues considered by the Hon'ble CERC in the tariff order dated 16.04.2013 and has filed review petition with Hon'ble CERC on 29.05.2013. The review petition is yet to be decided by CERC.

The Company has billed sales for current year ₹138064 Lac. (Previous Year ₹ 161938 Lac) The revenue for the year 2012-2013 has been provisionally recognized pending determination of tariff by Hon'ble CERC for the period 2009-14. Debtors include ₹85085 Lac (P. Y. ₹ 99601 Lac) on account of differential billing between sales as AFC calculated on the basis of Hon'ble CERC's Regulations 2009 and pending finalization of tariff for the period 2009-14 as per the provisional tariff allowed by Hon'ble CERC vide order dated 28.12.2006 (Petition 63/2006) and Order dated 28.03.2008.

(ii) The Company has earned interest of ₹ 4341 Lac in line with CERC Regulation on incentive and energy billing for the period 2006-09 raised after issuance of tariff order dated 16.04.2013 the same has been Accounted for in interest income and shown in no.21.

(iii) As per the CERC Tariff Regulations 2009, the 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 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 Commercial Operation Dates (CODs) of unit-1 & Unit-2 as 01.04.2011 & 26.10.2011 respectively and anticipated CoDs of Unit-3 & Unit-4 as 01.03.2012 & 01.04.2012 respectively. The tariff petition with duly audited & certified tariff filing forms had been submitted to Hon'ble CERC on 30.03.2012 following the principles enunciated as per CERC Tariff Regulations 2009.

As all the four units of Koteshwar HEP were put in commercial operation during 2011-12, Hon'ble CERC desired to update the tariff forms based on the actual CODs and actual expenditure. Therefore, tariff forms were got certified from statutory auditors during the year 2012-13 and submitted to CERC on 08.02.2013.

Accordingly, the revenue has been provisionally recognized in the Accounts for FY 2012-2013 based on the audited & certified AFC submitted to Hon'ble CERC on 08.02.2013, pending determination of tariff. The Company has billed sales for current year ₹55062 Lac. (Previous Year ₹ 40300 Lac). The debtors include ₹ 27188 Lac (P.Y. ₹ 16068 Lac) on account of differential billing between AFC sales calculated as per CERC Regulations and provisional tariff as decided in 18th TCC & 20th NRPC meetings.



Note :-21

OTHER INCOME

Amount in lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2013		For The Year Ended 31-Mar-2012	
Interest					
On Bank Deposits (Includes TDS ₹ 27793.00 Previous year ₹ 271361.00)		48		67	
From Employees		307		232	
Others		4,366	4,721	9	308
Machine Hire Charges			9		19
Rent Receipts			165		136
Sundry Receipts			303		210
Excess Provision Written Back			630		479
Profit on Sale of Assets			55		56
Late Payment Surcharge			1,621		473
TOTAL			7,504		1,681
Less :					
Transferred To EDC	11.1		465		731
TOTAL			7,039		950

Note :-22

EMPLOYEE BENEFITS EXPENSES

Amount in lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2013		For The Year Ended 31-Mar-2012	
Salaries, Wages, Allowances & Benefits			23,559		21,756
Contribution to Provident & Other Funds			1,492		1,631
Pension Fund			1,081		1,023
Gratuity			1,807		1,709
Welfare Expense			703		379
TOTAL			28,642		26,498
Less :					
Transferred To EDC	11.1		9,319		11,503
TOTAL			19,323		14,995

Note :-23

FINANCE COSTS

Amount in lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2013		For The Year Ended 31-Mar-2012	
Finance Costs					
Interest On Loans			62,214		61,771
TOTAL			62,214		61,771
LESS:-					
Transferred And Capitalised With CWIP Account			1,704		8,598
TOTAL			60,510		53,173

Note :-24

GENERATION ADMINISTRATION AND OTHER EXPENSES

Amount in lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2013		For The Year Ended 31-Mar-2012	
Rent					
Rent for office		133		129	
Rent for Employees Residence		710	843	648	777
Rate and taxes			106		390
Power & Fuel			1,507		1,338
Insurance			1,113		648
Communication			325		278
Repair & Maintenance					
Plant & Machinery		1,932		1,270	
Buildings		1,001		843	
Others		1,664	4,597	1,143	3,258
Travelling & Conveyance			886		802
Vehicle Hire & Running			1,019		927
Security			1,885		1,587
Publicity & Public relation			208		180
Other General Expenses			1,766		1,972
Loss on sale of assets			195		12
Survey And investigation Expenses			806		680
Research & Development			397		61
Sustainable Development Expenses			121		0
Expenses on Consultancy Project/ Contract			51		692
Deferred Revenue Expenditure Written Off			10		12
Expenditure On CSR Activities			1,605		1,358
Rebate to Customers			173		721
TOTAL			17,613		15,693
LESS:-					
Transferred To EDC	11.1		2,425		3,919
TOTAL			15,188		11,774

Note :-25

PROVISIONS

Amount in lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2013		For The Year Ended 31-Mar-2012	
Provisions For Doubtful Debts, Loans & Advances			0		0
Provisions For Stores & Spares			24		156
TOTAL			24		156
LESS:-					
Transferred To EDC	11.1		0		0
TOTAL			24		156



Note :-26

PRIOR PERIOD INCOME/EXPENDITURE (NET)

Amount in lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2013		For The Year Ended 31-Mar-2012	
INCOME					
Misc Receipt		0	0	0	0
EXPENDITURE					
Personnel Exp		1		0	
Other General Expenses		0		30	
Depreciation		384		75	
Security		0		1	
Misc- Others		41	426	0	106
Sub Total			426		106
LESS:-					
Transferred To EDC	11.1		4		10
TOTAL			422		96

Note :-27

PROVISION FOR TAXATION

Amount in lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2013		For The Year Ended 31-Mar-2012	
INCOME TAX					
Current Year			11,953		16,290
Sub Total			11,953		16,290
LESS:-					
Transferred To EDC	11.1		0		0
TOTAL			11,953		16,290
WEALTH TAX					
Current Year			38		99
Sub Total			38		99
LESS:-					
Transferred To EDC	11.1		6		14
TOTAL			32		85

28. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹178918 lac [Previous year (P.Y. ₹189582 lac).

29. CONTINGENT LIABILITIES

	(₹ Lac)	
	2012-13	2011-12
(i) Claims against the Company, not Acknowledged as debts:		
Arbitration /Court cases	229245	131696
[Includes ₹ 260 lac (P.Y. ₹ 239 lac) decreed against the Company in different arbitration/ Labour court cases and deposited by the Company but disputed in appeals.]		
(ii) Disputed Income Tax, Trade Tax, Commercial Tax, Entry tax includes ₹179 lac (P.Y. ₹7 lac) deposited by Company but disputed in appeal	722	566
(iii) Others (Contractors claims etc.)	207	5924
(iv) Amount of liability, if any, in respect of claims/court cases filed by the employees/oustees and others is not ascertainable.		
30. Company has also accepted EMD/Security Deposit in the shape of FDR/CDR amounting to ₹940 lac (P.Y. ₹914 lac) besides the "Deposits, Retention money from Contractors" amounting to ₹2951 lac (P.Y. ₹2498 lac) as disclosed in Note 4 & Note 8.		
31. (i) The Company is holding confirmed letters of credit (LCs) from various beneficiaries of power as backup security for payment amounting to ₹4713 lac (P.Y. ₹4631Lac).		
(ii) During the year the Company has given a Bank Guarantee amounting to ₹29 Lac as security deposit for the fulfillment of the order of the Hon'ble High Court of Uttarakhand at Nainital issued by Punjab National Bank against an OD limit of ₹100000 Lac. Therefore the balance available for use in OD Limit as on 31.03.2013 is ₹99971 Lac.		
32. (i) An amount of ₹7800 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 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 lac due on account of extra space provided by THDC for residential / non-residential buildings after adjusting the amount due from THDC towards royalty on clay/shell material used in construction of Dam. Further it was agreed that being a mutual settlement neither GOUK nor THDC shall charge interest on the amounts due to each other. Accordingly, interest of ₹1857 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 lac. The balance amount of ₹1920 lac after deducting deposited amount of ₹1900 lac with D.M. has been adjusted against ₹7800 lac and balance amount of ₹5880 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 ₹ 6449 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 dated 27.03.2009. The decision of Hon'able High Court Nainital on this matter is still awaited. However, necessary adjustments stand incorporated in the Books of Accounts.

- (ii) The District Magistrate, Tehri Garhwal vide order dated 12-03-2013, informed THDC India Limited, Tehri to deposit ₹17002 lac towards payment of royalty after deduction of ₹1900 lac which had already been paid by THDCIL towards royalty and after adjustment of ₹7800 lac, also towards extra space made available by THDCIL. Similarly for Koteshwar Hydro Electric Project another order dated 19-03-2013 was also passed by the District Magistrate, Tehri Garhwal for payment of royalty to the tune of ₹2829 lac.

Being aggrieved, THDCIL filed two fresh Writ Petitions, one in the matter of Tehri Project (WP no.826 of 2013) and another in respect of Koteshwar Hydro Electric Project (WP no.832 of 2013) before the Hon'ble High Court of Uttarakhand at Nainital in April 2013. On 17-04-2013 two separate orders were passed by the Court in these Writ Petitions.

As regards Tehri Project, the Hon'ble Court passed the order *inter alia* for the Petitioner i.e. THDCIL to secure the amount of royalty to the tune of ₹3440 lac by bank guarantee in any nationalized bank in favour of the Collector and balance claim made in the order by furnishing simple bond in favour of the Collector.

Likewise, in case of Koteshwar Hydro Electric Project as per the order ₹309 lac was to be secured by bank guarantee and balance claim by furnishing simple bond in favour of the Collector.

Since the Hon'ble High Court had put unconditional stay on the operation of the impugned orders of the DM, Tehri Garhwal for a period of fortnight from date and conditional stay thereafter till the disposal of these writ petitions, if the above security is furnished by THDCIL within the stipulated time. In compliance of the order dated 17-04-2013 of the Hon'ble High Court, THDCIL has already submitted bank guarantee amounting to ₹3440 lac and bond for an amount of ₹13562 lac in respect of Tehri Project and bank guarantee for an amount of ₹309 lac and bond for an amount of ₹2520 lac in respect of Koteshwar Project to the District Magistrate, Tehri Garhwal.

In view of the fact the aforesaid Petitions are still *sub-judice* Hence amount of ₹5880 lac relating to extra space is shown as recoverable.

33. (i) The total interest and other cost incurred on Borrowed funds for the year is (Contractors claims etc.) ₹53414 lac (P.Y. ₹56072 lac). The amount of borrowing cost capitalized during the year is ₹1704 lac (P.Y. ₹ 8598 lac) after adjustment of an amount of ₹ Nil lac (P.Y. ₹17 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 ₹144 lac (P.Y. ₹467 lac) is adjusted to the Capital Work In Progress/Assets.
34. 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 10% of basic pay & DA has been made in accounts.
35. (i) Rehabilitation Expenses under Capital-Work-in-Progress include ₹497 lac (P.Y. ₹497 lac) towards cost of 600.09 acres (P.Y. 600.09 acres) of land acquired for rehabilitation of oustees / execution of project works.

Further, Rehabilitation CWIP and EDC thereon relating to Tehri HPP stage-I & Koteshwar amounting to ₹2797 lac (P.Y. ₹5977 lac) have been capitalized during the year 2012-2013 which include ₹3 lac (P.Y. ₹766 lac) towards cost of 600.09 acres (P.Y. 600.09 acres) of land acquired for rehabilitation.

- (ii) Registration of property allotted to the oustees at the new locations for resettlement is in process and is being looked after by Govt. of Uttarakhand who has been assigned the responsibility of rehabilitation & resettlement of Dam Ousteers.
- (iii) Pursuant to the Government of India, MOE&F, New Delhi's order no.F.No.8-3/89-FC dated 17/23rd Oct., 2002- the Government of Uttarakhand vide its office order no. GI-186/7-1-2002-300(459)/88 dated 30 Oct., 2002 has issued order for diversion of 338.932 hectare Civil Soyam and Forest land on lease for a period of 30 years in favour of the Company, for the purpose of construction of Koteshwar Dam Project (4x100 MW). The lease deed for 337.057 hectare land has been executed w.e.f. 01.01.2003 with Govt. of Uttarakhand. The lease deed for 1.875 hectare Forest land, for which payment has been made, is pending for completion of legal formalities and has been shown as lease hold Land. Out of 338.932 hectare, 218.307 hectare is below submergence area and is shown under rehabilitation has been capitalized on completion of Dam. The amount of ₹ 68 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.
- (vi) Private land acquired by the company for reservoir, project work, colonies, misc. etc. at various project is 3151.78 Ha. Out of which title deed of land measuring 2150.967 .Ha is yet to be entered in the name of the Company.
36. In the absence of actual cost, certain assets, found in excess during physical verification, have been recorded at a notional value of ₹1/- each.
37. Some of the Balances shown under debtors, creditors and materials in transit / lying with contractors are subject to confirmation / reconciliation and consequent adjustments, if any.
38. (i) 43 flats (P.Y. 45 flats) on the land acquired by the Company are in the un-authorized occupation of various persons. The Government of India has appointed Estate Officers for necessary action in the matter. Further, possibilities of legal action are being explored.
- (ii) Transit camp constructed in THDCIL complex at 26, E.C. Road, Dehradun having value of ₹ 20 lac is being used by THDCIL 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 380 square meter approx in area constructed in THDCIL 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.
39. As per clause no 61(B) of the Articles of Association, maintenance charges payable by GOUP towards the maintenance of irrigation sector are to be mutually agreed by the Company and Govt. of U.P. Pending mutual agreement, the same has not been shown as recoverable from Govt. of U.P.
40. Commercial operation of Tehri HPP-1 and KHEP, Generating Stations has 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 has been no impairment in the value of assets during the year in terms of Accounting Standard (AS) 28 "Impairment of Assets".
41. (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.

42. 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 C. P. Singh | Director (Finance) |
| 3. Shri D. V. Singh | Director (Technical) |
| 4. Shri S. K. Biswas | Director (Personnel) |
| 5. Shri A. S. Bisht | Ex-Director (Personnel) |

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

c) Remuneration and allowances, contribution to provident fund, other benefits and expenses to whole time Directors including Chairman & Managing Director are as under :

	(₹ in lac)	
	2012-13	2011-12
i) Salaries and allowances	108	137
ii) Contribution to Provident Fund	7	10
iii) Other Benefits	50	75
iv) Independent Directors Fee & Expenses	24	13
v) Director's Traveling Expenses,	19	22
vi) Pension Fund	4	2
TOTAL	212	259

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). Further as per Circular No 2(23)/11-DPE (WC)-GL-V/13 dated 21st January 2013 the amount mentioned above has been increased to ₹ 2000/- p.m from February 2013.

d) THDCIL, NPCIL Joint Venture to be formed as disclosed in Note No 48 (i).

43. Earning per share (EPS) – Basic & Diluted-

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

	2012-13	2011-12
Net profit after tax used as numerator (₹ in lac)	53138	70383
Weighted average no. of equity shares used as denominators	Basic : 33660524 Diluted : 33660524	Basic : 32975817 Diluted : 32978276
Earning per share ₹		
Basic	157.86	213.44
Diluted	157.86	213.42
Face Value per share ₹	1000	1000

44. 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 ₹ 5372 lac (P.Y. ₹ 6524 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 Regulations 2009-2014 and not refundable. The item-wise detail of cumulative Deferred Tax Liability/Assets is as under:

		₹ in lac	
Sl. No		31.03.2013	31.03.2012
	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	19650	13116
iii)	Advance against Depreciation to be considered as income in tax computation	7859	9625
iv)	Provision for Stores	166	0
v)	Provision for doubtful debts	0	158
vi)	Provision for Employee Benefits schemes	3826	3230
	Net Deferred Tax Liability/(Assets) (A-B)	(31501)	(26129)

45. (i) 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 2011-2012 during the year 2012-2013. Expenditure of ₹152 Lac incurred over and above available fund is shown as Advance recoverable and to be adjusted from future CSR provision.
- (ii) In line with the D.P.E. Guidelines issued by Govt. of India, Company is required to Incur minimum expenditure on Research & Development (R&D) 0.5% of Profit after tax for the year 2011-2012 during the year 2012-2013. Provision for unspent amount has been made by way of non lapsable R&D Fund. Accordingly Board had approved R&D plan for the year 2012-13. During the year expenditure of ₹397 lac has been incurred on R&D activity against the budget of ₹287 Lac.
- (iii) In line with the D.P.E. Guidelines issued by Govt. of India, Company is required to Incur minimum expenditure on Sustainability Development (SD) @ 50 lac + 0.1% of Profit After Tax exceeding ₹100 lac for the year 2011-2012 during the year 2012-2013. Provision for unspent amount has been made by way of non lapsable SD Fund. Accordingly Board had approved SD plan for the year 2012-13. During the year expenditure of ₹121 lac has been incurred on SD activity against the budget of ₹110 lac.
46. 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.
47. 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 2013.
- b) No payment is due for more than 30 days as at 31st March, 2013 in respect of purchases/services made from small scale/ancillary industries.
48. (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 THDCIL and NPCIL which is to be incorporated. An agreement has been signed between THDCIL & NPCIL in August, 2008 and



- the works of Survey and Investigation have been taken up and an amount of ₹ 1101 lac (P.Y. ₹ 856 lac) has been spent by THDCIL upto 31st March 2013 which is shown as recoverable from Joint Venture Company which is yet to be incorporated as on 31.03.2013.
- (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 lac and 24.06.10 for ₹1379 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 THDCIL has taken up DPR and other site related works.
49. 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.
50. Cost of land & building constructed at Kedarpuram 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.
51. (i) Recoveries from KCT towards deduction against quantity variation as per contract provision for 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. The stay granted by the High Court, Nainital was extended till the date of listing. Mean while an urgency application for early hearing was filed by THDCIL. The matter is in active consideration of the court. The value of assets created under these contracts will vary depending upon finalization of case.
- (ii) Advance to contractors include ₹21275 lac (Principal ₹12829 lac and interest @ 16% ₹8445 lac) [P.Y. ₹19052 lac (Principal ₹12505 lac & interest @ 16% ₹6547 lac)] towards amount recoverable from contractor (M/s. PCL) of the KHEP on account of risk & cost account, mobilisation advance & equipment advance. The value of security (performance guarantee/cash) available with THDCIL upto 31.03.2013 is amounting to ₹5629 lac (P.Y. ₹5629 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 on the amount of Arbitral award.
52. 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 ₹4573 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 had been transferred to CWIP and subsequently capitalised on commissioning of units. The management is of the view that on receipt of insurance claim amount, the same shall be adjusted from Assets already capitalised. Further, out of total claims lodged by M/s BHEL, claims for ₹1000 Lac have been received from the Insurance Company and same has been accounted for in F.Y. 2011-12. 53.
53. 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 purpose of tariff,

which are different from the rates specified under Companies Act 1956. The MoP, GoI had notified the Tariff Policy which provides that the rates of depreciation notified by CERC would be applicable for the purpose of tariff as well as accounting. Accordingly, the rates notified under the present pertaining Tariff Regulations 2009-2014 are considered appropriate for charging depreciation for the year.

54. (i) The Company has taken on lease / rent premises for employees / offices / Guest Houses/Transit camps & vehicles. These lease arrangements are usually renewable on mutually agreed terms but are not cancellable. Rent include ₹794 lac (P.Y. ₹ 698 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 ₹ 5 lac plus service tax per month. Out of the portion of leased office accommodation an area covering 1870 sq. ft. was sub leased to Ministry of Environment & Forest upto 8th Nov. 2012 @ ₹212 per sq. ft totaling to ₹4 lac plus service tax per month.
55. (i) Company pays fixed contribution to provident fund at pre-determined rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to Profit & Loss Account. The trust is required to pay a minimum rate of interest on contributions to the members as specified by Ministry of Labour, GOI. However, the obligation of the company is limited to such fixed contribution and shortfall in meeting the interest obligation by the trust. Accordingly, as per Actuarial valuation the liability due to statutory interest rates guaranteed for provident fund as on 31.03.2013 as per AS-15(Revised) comes to ₹ 84 lac (P.Y. ₹590 lac) as against the revenue surplus of ₹79 lac (P.Y. ₹43 lac) available with the trust as on the Balance Sheet date. Therefore, an amount of ₹ 5 lac (P.Y. ₹546 lac) is shown as liability for CPF.
- (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 31.03.2013. Accordingly, disclosure under the provision of Accounting Standard 15 on "Employee Benefits" for the Financial Year ended 31.03.2013 is given below:

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

₹ in Lac

Particular	31.03.2013	31.03.2012
Mortality Table	LIC (1994-96) Duly modified	LIC (1994-96) Duly modified
Discount Rate	8%	8.5%
Future Salary Increase	6%	6%

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

₹ in Lac

Particular	Gratuity	Leave Encashment	Post retirement medical benefit	Sick Leave	Baggage allowance/ Retirement award/FBS
PVO at Beginning of year	8319	3985	1759	3936	498
Interest cost	666	319	141	315	40
Past service cost					
Current service cost	501	249	70	245	46
Benefit paid	(473)	(1027)	(32)	(78)	(55)
Actuarial (Gain)/loss	598	740	89	176	125
PVO at end of year	9611	4266	2027	4594	654



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	9611	4266	2027	4594	654
Fair Value of Plan Assets at the end of year					
Funded Status	(9611)	(4266)	(2027)	(4594)	(654)
Unrecognised actuarial gain/loss					
Net liability recognized in Balance Sheet	(9611)	(4266)	(2027)	(4594)	(654)

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

₹ in Lac

Particular	Gratuity	Leave Encashment	Post retirement medical benefit	Sick Leave	Baggage allowance/ Retirement award/FBS
Current Service Cost	501	249	70	245	46
Interest Cost	666	319	141	315	40
Past Service Cost					
Expected return on Plan Assets					
Net Actuarial (gain)/loss recognized for the year	598	740	89	176	125
Expense recognized in Profit & Loss/EDC for the year.	1765	1308	300	736	211

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

57. Payment to Auditors (including service tax)

(₹ in lac)

	PARTICULARS	2012-13	2011-12
I.	Statutory Audit Fees:	6 *	6
II.	For Taxation matter (Tax Audit)	2	2
III.	For Company Law matter	—	—
IV.	For Management services	—	—
V.	For other Services(Certification)	3	3
VI.	For Reimbursement of expenditure	3	4

*Subject to approval in Annual General Meeting.

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

(₹ in lac)

	PARTICULARS	2012-2013	2011-2012
A	Expenditure in Foreign Currency (on cash basis)		
	Travelling	11	13
	Consultancy & Professional Expenditures	2499	511
	Repayment of loan & Interest	2504	2414
	Import of goods	207	30
	Others (Advance)	128	0
	Nomination for Conference	2	7
	Purchase of Software	0	1
	TOTAL	5351	2976
B	Earnings in Foreign Currency (on cash basis)	0.00	0.00
C	Value of Imports calculated on CIF basis		
i)	Capital Goods	265	30
ii)	Spare parts		
	Total	265	30
D	Value of Components, Stores & Spare parts Consumed		
i)	Imported (in lac ₹)	54	2
	(%)	43%	4%
ii)	Indigenous (in lac ₹)	73	64
	(%)	57%	96%
E	Value of Export	0.00	0.00



59. Licensed and Installed Capacities:-

Sl. No	Particulars	2012-2013	2011-2012
(i)	Licensed Capacity (M.W)	Not Applicable**	Not Applicable**
(ii)	Installed Capacity (M.W)	1400 MW	1400MW
(iii)	Approved Capacity(M.W)- (Based on investment approval by CCEA)	2844 MW	2844 MW
(iv)	Quantitative information in respect of Generation and sale of Electricity (In Million Units)		
(a)	Pre – Commercial period		
	Generation	NIL	45.1769 MU
	Sales	NIL	44.7251 MU
(b)	Commercial period		
	Generation	4266.03716 MU	4546.0793 MU
	Sales (net of free power to home state, auxillary consumption and transformation losses)	3735.06309 MU	3983.6996 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.

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

For and on Behalf of Board of Directors

(S. Q. Ahmad)
Company Secretary

(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 : 09.07.2013

Place : New Delhi

AUDITOR'S REPORT

To
The Members of
THDC INDIA LIMITED

REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of "THDC INDIA LIMITED" which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the



information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss of the Profit of the Company for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

OTHER MATTERS

6. Without qualifying our report, we draw attention to the following :-
 - a. Note No. 20.1 (i & iii) - Accounting of sales is being done on provisional basis pending final fixation of tariff by CERC.
 - b. Note No.32(i) - Regarding balance amount due from Govt. of Uttarakhand amounting to ₹5880.00 Lacs on account of extra space as remaining due on 31.03.2013, after adjustment of dues towards Royalty which are yet to be recovered. The GOUA has adjusted the same and raised revised demand which could not be accounted for due to pending court case.
 - c. Note No.35 (i) - Rehabilitation expenditure of ₹ 2797 Lacs capitalized in accounts under the head 'Unclassified Land' has been booked in accounts on the

basis of account statements received from Uttarakhand Government/ Govt. Authorities and thus not subject to verification by us.

- d. Note No. 37 - Some of the balances for Sundry Debtors, Sundry Creditors, Security Deposits/ Earnest Money Deposits, Loans & Advances are subject to confirmation and reconciliation.
- e. Note No.38 (i) - Relating to unauthorized occupation of 43 flats (previous year 45 flats) by various persons on the land acquired by the Company.
- f. Note No. 51 (ii) - Advance to contractors includes ₹ 21275 Lacs towards the works executed at the risk and cost of the KHEP contractor (M/s PCL) against the security of ₹ 5629 Lacs.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order to the extent applicable to the company.
8. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) the Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit & Loss, Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the Board of Directors as on March 31, 2013, none of the directors is

disqualified as on March 31, 2013 in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

(Ravinder Bhatia)
Partner, FCA
Membership No. : 17572

Place: New Delhi
Date: 09.07.2013





ANNEXURE TO THE AUDITOR'S REPORT

(ANNEXURE REFERRED TO IN PARAGRAPH 7 OF OUR REPORT OF EVEN DATE)

I. 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.

II. 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.

III. In respect of Loans

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

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

V. 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 of ₹500000/- or more during the year does not arise.

VI. 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.

VII. 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.

VIII. 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 2012-13 has not been conducted so far.

IX. 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 31.3.2013 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
2000-01	136.35		
Interest for 149 months	406.33	Entry Tax	The Entry Tax case is pending before Addl. Commissioner (Appeal), Dehradun.
2007-08	0.93	Trade Tax	THDCIL has filed appeal against the demand raised in assessment order dated 28.02.2011.

X. (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.

XI. 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.

XII. 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.

XIII. 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.

XIV. 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.

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

XVI. 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.

- XVII. In our opinion, on an overall basis, and according to the information and explanation given to us, the company has not used the funds raised on short term basis for long term investment.
- XVIII. 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.
- XIX. The Company has not issued any debentures during the year.
- XX. The Company has not made any public issue of any securities during the year.
- XXI. 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 : 09.07.2013





गोपनीय

संख्या: MAB-III/Rep/01-37/Acs-THDC/2013-14/VOL.IV/S24

भारतीय लेखा तथा लेखापरीक्षा विभाग

कार्यालय

प्रधान निदेशक, वाणिज्यिक लेखा परीक्षा

एवं पदेन सदस्य लेखा परीक्षा बोर्ड-III

नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT

OFFICE OF THE

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT

& EX-OFFICIO MEMBER, AUDIT BOARD-III,

NEW DELHI

दिनांक / Dated 30 July 2013

सेवा में,

अध्यक्ष एवं प्रबंध निदेशक,

टीएचडीसी इण्डिया लिमिटेड,

ऋषिकेश

विषय: 31 मार्च 2013 को समाप्त वर्ष के लिये टीएचडीसी इण्डिया लिमिटेड, ऋषिकेश के वार्षिक लेखाओं पर कम्पनी अधिनियम 1956 की धारा 619(4) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, टीएचडीसी इण्डिया लिमिटेड, ऋषिकेश के 31 मार्च 2013 को समाप्त वर्ष के वार्षिक लेखाओं पर कंपनी अधिनियम 1956 की धारा 619 (4) के अंतर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ अंग्रेषित कर रही हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

संलग्न: यथोपरि।

भवदीया,

(नयना अ. कुमार)
प्रधान निदेशक



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 2013

The preparation of financial statements of THDC India Limited for the year ended 31st March 2013 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 auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 09 July 2013.

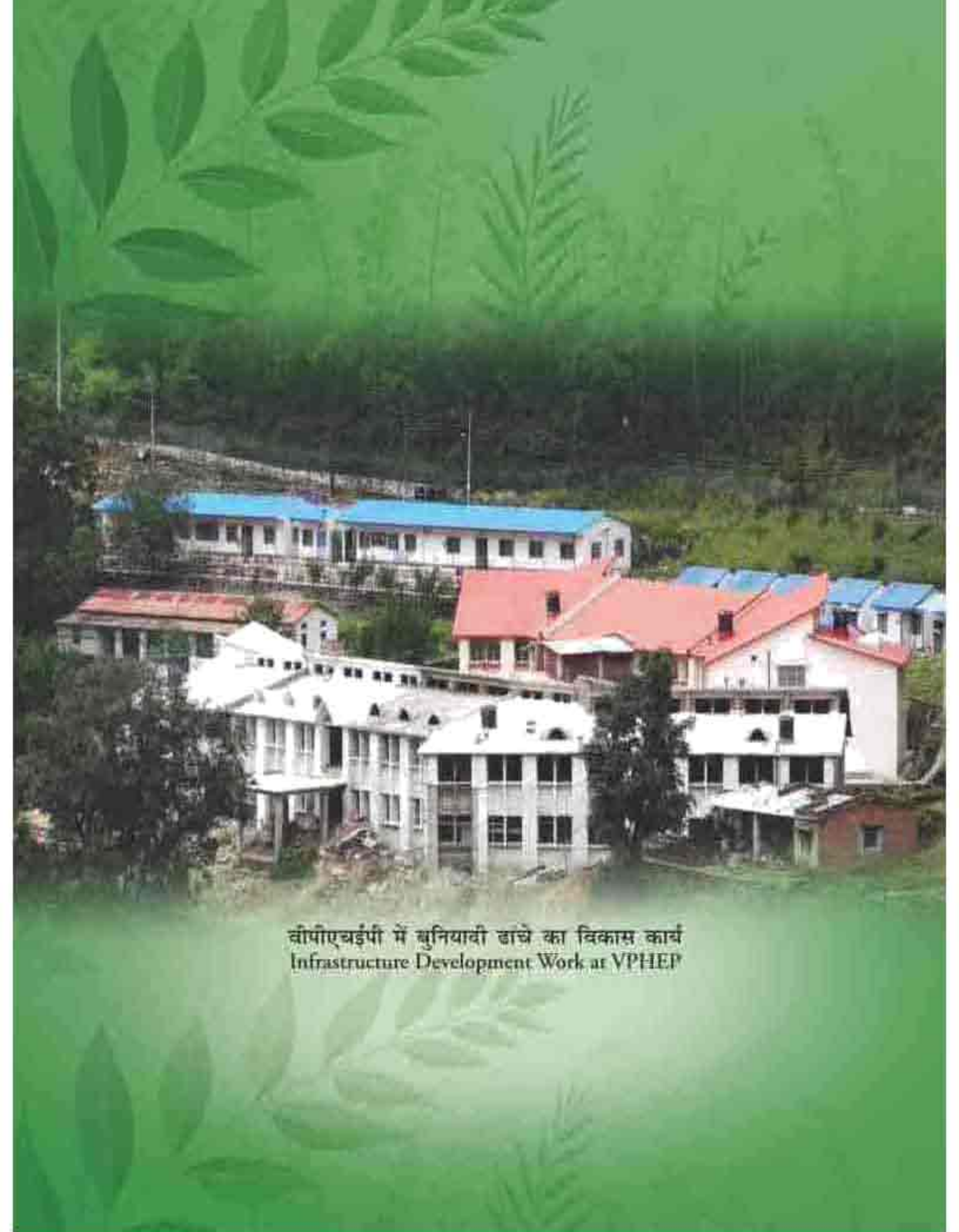
I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of THDC India Limited for the year ended 31 March 2013. This supplementary audit has been carried out independently without 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

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

Place : New Delhi

Dated : 30 July 2013



वीपीएचईपी में बुनियादी ढांचे का विकास कार्य
Infrastructure Development Work at VPHEP



टीएचडीसी इंडिया लि.

(गोस्ट ररकर व ररर रररर रररर रर रररर रररर)

गंगा भवन, प्रगतपुरम, बाईपास रोड, ररररर-249201-(उतररखंड)

THDC INDIA LIMITED

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

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

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