



Annual Accounts

For the Year 2013-14



SIGNIFICANT ACCOUNTING POLICIES 2013-14

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.

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

- ii. Low value items costing up to Rs.1500/-, which are in the nature of assets are not capitalized and charged to revenue.
- iii. In respect of Assets costing up to Rs 5000/- but more than Rs.1500/- (excluding immovable assets) 100% depreciation is provided in the year of purchase.
- 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. 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.
- iv. 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.

- v. 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.
- vi. Value of scrap is accounted for at the time of sale.
- vii. Insurance claims are Accounted for in the year of receipt /acceptance by the insurer/ certainty of realization.

Expenditure

- viii. Cost of stores and spares used on repairs and maintenance are charged to the Repairs and Maintenance Account.
- ix. Prepaid expenses and prior period expenses/income of items of ₹10,000/- or below in each case, are charged off to the natural heads of accounts.
- x. Net income/expenditure prior to Commercial operation is adjusted directly in the cost of related assets and systems.
- xi. Preliminary expenses on account of new projects incurred prior to approval of feasibility report are charged to revenue.
- xii. Amount at appropriate percentage of profit of previous year as prescribed under DPE guideline is set aside as non lapsable fund for Corporate Social Responsibility, Sustainability Development and Research & Development.

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 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-2014

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
EQUITY AND LIABILITIES					
Shareholders' Funds					
(a) Share Capital	1	3,47,309		3,44,309	
(b) Reserves And Surplus	2	3,85,815	7,33,124	3,32,840	6,77,149
Non-Current Liabilities					
(a) Long Term Borrowings	3	3,07,082		3,46,624	
(b) Other Long Term Liabilities	4	23,302		23,364	
(c) Long Term Provisions	5	22,338	3,52,722	20,305	3,90,293
Current Liabilities					
(a) Short Term Borrowings	6	63,359		1,28,812	
(b) Trade Payables	7	24		34	
(c) Other Current Liabilities	8	69,917		72,086	
(d) Short Term Provisions	9	16,175	1,49,475	13,031	2,13,963
TOTAL			13,35,321		12,81,405
ASSETS					
Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	10	8,43,416		8,79,498	
(ii) Intangible Assets	10	74		109	
(iii) Capital Work in Progress	11	1,11,712	9,55,202	78,519	9,58,126
(b) Deferred Tax Assets (Net)	12		32,108		25,188
(c) Long Term Loans and Advances	13		57,702		59,744
(d) Other Non-Current Assets	14		162		49

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
Current Assets					
(a) Inventories	15	3,381		2,558	
(b) Trade Receivables	16	1,72,416		2,30,701	
(c) Cash and Cash Equivalents	17	7,742		1,609	
(d) Short Term Loans and Advances	18	5,437		2,745	
(e) Other Current Assets	19	1,171	1,90,147	685	2,38,298
Total			12,35,321		12,81,405

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

(Sridhar Patra)
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

(Anant Bhatia)
Partner
Membership No.:- 507832

Date : 27.08.2014
Place : New Delhi



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-March-2014

Amount in lac ₹

Particulars	Note No.	For The Year Ended 31 - Mar - 2014		For The Year Ended 31 - Mar - 2013	
INCOME					
Revenue from Operations	20		2,06,670		1,95,614
Other Incomes	21		11,588		7,039
Total Revenue			2,18,258		2,02,653
EXPENSES					
Employee Benefits Expense	22		18,854		19,323
Finance Costs	23		53,027		60,510
Depreciation & Amortisation	10		48,122		47,435
Generation Administration and Other Expenses	24		15,370		15,188
Provisions	25		0		24
Tariff Adjustment (Regulatory Liability)			15,192		0
Total Expenses			1,50,565		1,42,490
Profit Before Prior Period Items and Tax			67,693		60,173
Prior Period Expenditure / (Income) -Net	26		1,076		422
Profit Before Tax			66,597		59,751
Tax Expenses	27				
Current Tax					
Income Tax			13,952		11,953
Wealth Tax			33		32
Deferred tax- Asset			(6,920)		(5,372)
Profit For The Year			59,532		53,138

26th वार्षिक रिपोर्ट
26th Annual Report
2013-14

Amount in lac ₹

Particulars	Note No.	For The Year Ended 31 - Mar - 2014	For The Year Ended 31 - Mar - 2013
Earning per Equity Share			
Basic (₹)		172.88	157.86
Diluted (₹)		172.88	157.86

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

(Sridhar Patra)
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

(Anant Bhatia)
Partner
Membership No.:- 507832

Date : 27.08.2014

Place : New Delhi



CASH FLOW STATEMENT FOR THE YEAR ENDED 31-March-2014

Amount in lac ₹
(Figures In Parenthesis Represent Deduction)

Particulars	For The Year Ended 31 - Mar - 2014		For The Year Ended 31 - Mar - 2013	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and Prior Period adjustments		67,673		60,173
Adjustments for:-				
Depreciation	49,028		47,822	
Provisions	-		24	
Advance Against Depreciation- Deferred	(1,619)		(5,441)	
Interest on loans	53,027		60,510	
Prior Period Adjustments	(1,076)	99,360	(422)	1,02,493
Operating profit Before Working Capital Changes		1,67,033		1,62,666
Adjustment For :-				
Inventories	(823)		(920)	
Trade Receivables	58,285		(39,804)	
Other Assets	(586)		(185)	
Loans and Advances (Current + Non Current)	(3,555)		(648)	
Trade Payable and Liabilities	1,711		885	
Provisions (Current + Non Current)	5,177	80,209	(24,326)	(64,996)
Cash Generated From Operations		2,27,242		87,668
Direct Tax Paid		(13,985)		(11,985)
Net Cash From Operations (A)		2,13,257		85,683
B. CASH FLOW FROM INVESTING ACTIVITIES				
Change in:-				
Fixed Assets and CWIP	(52,661)		(35,204)	
Construction Stores	(13)		459	
Capital Advances	2,905		(1,102)	
Miscellaneous Expenditure (To the extent adjusted)	-		10	
Net Cash Flow From Investing Activities (B)		(49,769)		(35,837)

Amount in lac ₹
(Figures in Parenthesis Represent Deduction)

Particulars	For The Year Ended 31 - Mar - 2014	For The Year Ended 31 - Mar - 2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital (Including Pending Allotment)	3,000	10,051
Borrowings	(1,07,328)	(11,565)
Interest on loans	(53,027)	(60,510)
Dividend & Tax on Dividend	0	0
Net Cash Flow From Financing Activities (C)	(1,57,355)	(62,024)
D. NET CASH FLOW DURING THE YEAR (A+B+C)	6,133	(12,178)
E. OPENING CASH & CASH EQUIVALENTS	1,609	13,787
E. CLOSING CASH & CASH EQUIVALENTS(D+E)	7,742	1,609

Note :

1. Cash and Cash Equivalents includes Balance with Banks of ₹50 Lac (Previous year ₹50 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

(Sridhar Patra)
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

(Anant Bhatia)
Partner
Membership No.:- 507832

Date : 27.08.2014
Place : New Delhi



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2014

Note -1

SHARE CAPITAL

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
		Number of Shares	Amount	Number of Shares	Amount
Authorized					
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		3,47,30,917	3,47,309	3,44,30,917	3,44,309
Equity Shares of ₹ 1000 /= each Fully Paid up					
TOTAL		3,47,30,917	3,47,309	3,44,30,917	3,44,309

Note -1.1

RECONCILIATION OF NO. OF SHARES & SHARE CAPITAL OUTSTANDING

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
		Number of Shares	Amount	Number of Shares	Amount
Opening		3,44,30,917	3,44,309	3,29,76,817	3,29,768
Issued		3,00,000	3,000	14,55,100	14,551
Reduction		0	0	0	0
Closing		3,47,30,917	3,47,309	3,44,30,917	3,44,309

Note -1.2

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

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
		Number of Shares	%	Number of Shares	%
Share holding more than 5 %					
I. GOI		2,53,81,517	73.06	2,50,81,517	72.85
II. GOUP		93,49,400	26.92	93,49,400	27.15
TOTAL		3,47,30,917	100.00	3,44,30,917	100.00

Note :-2

RESERVES & SURPLUS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
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		40,916	1,03,203	34,359	1,09,760
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"			1,03,675		1,10,232
Surplus In Profit & Loss Account					
Opening		2,22,608		1,69,470	
Add:- Profit for the year as per P&L Statement		59,532		53,138	
TOTAL PROFIT FOR APPROPRIATION			2,82,140		2,22,608
Sub Total- "B"			2,82,140		2,22,608
Sub Total - "C" (A+B)			3,85,815		3,32,840
Misc. Expenditure (To the extent not written off or Adjusted)					
Opening Balance		0		10	
Addition during the year		0		0	
Utilised/adjusted during the year		0	0	(10)	0
Sub Total - "D"			0		0
TOTAL (C-D)			3,85,815		3,32,840

2.1 The Company has not proposed/declared and paid any dividend for the FY.2013-14 & 2012-13.



Note :-3

LONG TERM BORROWINGS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014	As at 31-Mar-2013
A. SECURED			
POWER FINANCE CORPORATION Ltd.(PFC) - 78302001 (For Tehri HPP)* (Repayable upto 10 years on Quarterly instalment from 15th July2005 to 15th April 2015, carrying floating interest rate ranging from @ 9.75 % to @ 10.75%)		3,015	15,075
POWER FINANCE CORPORATION Ltd. (PFC) - 78302003 (For Tehri HPP) * (Repayable upto 15 years on Quarterly instalment from 15th october 2008 to 15th July 2023, presently carrying floating interest rate @12.75%)		76,736	85,764
POWER FINANCE CORPORATION Ltd. (PFC) - 78302002 (For KHEP) # (Repayable upto 10 years on Quarterly instalment from 15th January2012 to 15th october 2021, presently carrying floating interest rate @12.75 % p.a.)		78,975	90,675
Rural Electrification Corporation Ltd. (REC) (For KHEP) # (UA-GE-PSU-033-2010-3754) (Repayable upto 10 years on Quarterly instalment from 30th September 2012 to 30 June 2022, carrying floating interest rate ranging from @10.75 to @ 12.5% p.a.)		50,804	57,811
Rural Electrification Corporation Ltd. (REC)-330001- (For Tehri HPP)* (Repayable upto 15 years on Quarterly instalment from September 2007 to March 2022, carrying floating interest rate ranging from @ 11.5% to @12.5% p.a.)		71,221	83,907

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014	As at 31-Mar-2013
State Bank of India (SBI)-32677052247 (For Tehri PSP) ##			
State Bank of India (Repayable on 10 years on Quarterly Installments from August 2016 to May 2026 Presently carrying Floating Interest rate @ Base rate + 1.2% p.a. i.e. 11.2 %)		17,000	12,500
TOTAL (A)		2,97,751	3,45,732
B. UNSECURED			
Foreign currency Loans (Guaranteed by Govt. of India World Bank Loan -8078-IN (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. 0.83%)		9,331	882
TOTAL (B)		9,331	882
TOTAL (A+B)		3,07,082	3,46,614

- * Long Term Loan Secured by first Charge on Pari Passu basis on Assets of Tehri Stage-I i.e. Dam, Power House Civil Construction, Power House Electrical & Mechanical equipments not covered under other borrowings and Project township of Tehri Dam and HPP together with all rights and interest appertaining there to.
 - # Long Term Loan secured by first charge on Pari Passu basis on assets of Koteshwar HEP.
 - ## Long Term Loan secured by first charge on Pari Passu basis on assets of Tehri PSP.
 - § With negative lien on the equipments financed under the respective loan ranking pari-passu.
- 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-2014		As at 31-Mar-2013	
Deferred Revenue On Account of Advance Against Depreciation					
As Per Last Balance Sheet		22,890		28,331	
Add:-Revenue Deferred During The year		0		0	
Less:- Adjusted During The Year		1,619	21,271	5,441	22,890
Liabilities					
For Capital Expenditure		8		15	
For Micro And Small Enterprises.		0		0	
For Others		4	12	1	16
Deposits, Retention Money From Contractor etc.		2,019		455	
Other Liabilities		0	2,019	3	458
TOTAL			23,302		23,364

4.1 Amount shown under Advance Against Depreciation (AAD) has been collected during the tariff period 2004-09. The provision for AAD has been withdrawn in CERC Tariff Regulation 2009-14. Suitable adjustment for the amount of AAD shall be made in subsequent years accordingly.

Note 1-5

LONG TERM PROVISIONS

Amount in lac ₹
(Figures in Parenthesis Represent Deduction)

Particulars	Note No.	As at 01-Apr-2013	For The Year Ended 31-Mar-2014		As at 31-Mar-2014
			Addition	Adjustment Utilisation	
I. Employee Related		20,078	5,624	(3,158)	22,090
II. Others		227	21	0	248
TOTAL		20,305	5,645	(3,158)	22,338
Figures for Previous Year		18,532	4,456	(2,351)	20,305

Disclosure required by AS-15 on employee benefit has been made in Note No 28.16



Note :-6

SHORT TERM BORROWINGS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014	As at 31-Mar-2013
Short term Loan From Banks and Financial Institutions			
A. Secured loans:			
Rural Electrification Corporation Ltd. (Carrying Floating Interest rate @ 13% p.a.)		0	2,500
Over Draft (OD) From Banks * Punjab National Bank (Carrying Floating Interest Rate @ base rate +0.25% p.a. i.e.10.5%)		63,359	71,312
TOTAL (A)		63,359	73,812
B. Unsecured loans:			
Power Finance Corporation Ltd. (Carrying Floating Interest Rate @ 12.75% p.a.)		0	25,000
Canara Bank (Carrying Floating Interest Rate @ base rate p.a i.e. 10.25%)		0	30,000
TOTAL (B)		0	55,000
TOTAL (A+B)		63,359	1,28,812

* O.D. amounting to ₹63359 Lac is secured by way of 2nd Charge on Block of Assets of Company
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-2014	As at 31-Mar-2013
Trade Payable -MSMED		0	0
Trade Payable -Other than MSMED		24	34
TOTAL		24	34

Note -8

OTHER CURRENT LIABILITIES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
Current maturity of Long Term Debt					
A. SECURED * (Indian Currency Loan)			52,480		52,480
TOTAL (A)			52,480		52,480
B. UNSECURED ** Foreign currency Loans (Guaranteed by Govt. of India)			0		2,333
TOTAL (B)			0		2,333
TOTAL (A+B)			52,480		54,813
Liabilities					
For Capital Expenditure		5,598		6,377	
For Micro And Small Enterprises.		0		0	
For Others		934	6,532	1,147	7,524
Deposits, Retention Money From Contractors etc.		2,871		2,496	
Other Liabilities		2,987	5,858	1,107	3,603
Interest Accrued But Not Due					
Financial Institutions		5,047		6,146	
Other Liabilities		0	5,047	0	6,146
TOTAL			17,437		17,273
TOTAL LIABILITIES			69,917		72,086

* 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.

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

SHORT TERM PROVISIONS

Amount in lac ₹
(Figures In Parenthesis Represent Deduction)

Particulars	Notes No.	As at 01-Apr-2013	For The Year Ended 31-Mar-2014		As at 31-Mar-2014
			Addition	Adjustment Utilisation	
I. Works		1,256	296	(103)	1,294
II. Employee Related		10,009	8,951	(4,301)	13,372
III. Others		1,766	5,853	(22)	1,509
TOTAL		13,031	15,100	(4,426)	16,175
Figure for Previous Year		39,130	15,174	(13,463)	13,031

Disclosure required by AS-15 on Employee Benefits has been made in Note No 29.16



Note 1-10
FIXED ASSETS

Amount in ₹

Particulars	Gross Block			Depreciation		Net Block	
	As at 01-Apr-2013	Addition During the Year	As at 31-Mar-2014	As at 01-Apr-2013	For The Year Aged 01-Apr-2013 To 31-Mar-2014	As at 31-Mar-2014	As at 31-Mar-2013
Tangible Assets							
Lease Hold Assets							
1. Land Lease Hold	845	346	591		19	543	209
Other Assets							
2. Land Free Hold	3,453	300	3,753			3,753	3,453
3. Land Unclassified	1,43,942	6,050	1,49,999	26,741	4,850	1,17,177	1,17,101
4. Buildings	79,094	683	79,774	3,957	3,603	87,699	86,874
5. Building Temp. Structures	809	3	809	(3)			
6. Road, Bridges & Culverts	9,873	3,195	12,967	(1)	388	11,680	8,924
7. Drainage, Sewerage & Water Supply	1,350	30	1,380		69	1,031	1,071
8. Construction Plant & Machinery	1,819	295	2,045		47	927	743
9. Generation Plant & Machinery	2,32,452	438	2,30,970	(1,830)	19,339	1,69,378	1,83,941
10. EDP Machines	1,283	35	1,307	(11)	116	831	468
11. Electrical Installations	818	41	859		53	662	663
12. Transmission Lines	1,915	57	1,873		38	1,331	1,373
13. Office & Other Equipment	9,762	256	4,015	(6)	243	2,606	2,803
14. Furniture & Fixtures	1,352	314	1,763	(3)	102	1,205	1,065
15. Vehicles	1,088	98	1,168	(16)	64	625	527
16. Railway Sidings	122		122		4	95	102
17. Hydraulic Works- Dam & Spillways	6,03,293	18	6,10,298	7,002	26,804	3,69,302	3,69,385
18. Hydraulic Works-Tunnel, Reservoir, Canals etc.	1,37,458		1,37,454	348	7,376	85,078	1,02,045
19. Unserved/Obsolete Assets at net book value or net realisable value whichever is lower.	85		83	(2)		23	85
20. Capital Expenditure on Assets not owned by the company.	2,815			(2,616)	49		204
Sub Total	11,19,940	10,900	11,37,866	8,696	85,949	9,94,110	8,79,468
Figures For Previous Year	11,05,989	14,679	11,19,140	(608)	54,843	8,79,498	8,29,231
Intangible Assets							
1. Intangible Assets-Software	337		337		55	74	109
Sub Total	337		337		35	74	109
Figures For Previous Year	343	15	337		48	109	136
Detail of Depreciation							
Depreciation transferred to EIC							
Depreciation transferred to P&L account					491		
Depreciation adjusted in Capital Reserve					47,435		
Contribution from GOUP					6,784	64,890	
Fixed Assets Costing More Than ₹1,000.00 But Less Than ₹5000.00 Procured and Depreciated Fully During The Year					19		

10.1 The Land measuring 14.37 acres transferred free of cost by Govt. of Uttar Pradesh for construction of Koteswar Hydro Electric Project (4x100 MW) to the Company has been accounted for at notional value of ₹1.



Note :-11

CAPITAL WORK IN PROGRESS

Amount in lac ₹

Particulars	Note No.	As at 01-Apr-2013	For The Year Ended 31-Mar-2014			As at 31-Mar-2014
			Addition During The Year	Adjustment During the Year	Capitalisation During The Year	
Construction Work In Progress						
Building & Other Civil Works		4,563	2,229	(23)	(2,133)	4,636
Roads, Bridges & Culverts		3,089	926	-	(3,091)	924
Water Supply, Sewerage & Drainage		35	9	-	-	44
Generation Plant And Machinery		8,673	16,650	-	(468)	24,855
Hydraulic Works, Dam, Spillway, Water Channels, Weirs, Service Gate & Other Hydraulic Works		47,070	16,669	(3)	-	63,756
Afforestation Catchment Area		8	173	-	-	181
Electrical Installation & Sub-Station Equipments		1,264	1,065	(2)	(57)	2,260
Capital Expenditure On Assets Not Owned By Company		-	-	-	-	-
Others		402	-	-	(19)	383
Expenditure Pending Allocation						
Survey & Development Expenses		9,916	179	-	-	10,095
Exchange Variation		-	-	-	-	-
Interest Pending Allocation	23	-	-	-	-	-
Expenditure During Construction	11.1	977	1,633	(977)	-	1,633
Rehabilitation						
Rehabilitation Expenses (Net of Recoveries Towards Token Cost And Rent)		2,522	706	-	(283)	2,945
Total		78,519	40,249	(1,005)	(6,051)	1,11,712
Previous Year Figure		57,081	25,473	(2,218)	(1,817)	78,519

Note :-11.1

EXPENDITURE DURING CONSTRUCTION

Amount in lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2014		For The Year Ended 31-Mar-2013	
EXPENDITURE					
EMPLOYEE BENEFITS EXPENSES	22				
Salaries, Wages, Allowances & Benefits		9,531		7,794	
Contribution to Provident & Other Funds		643		486	
Pension Fund		515		395	
Gratuity		527		520	
Welfare		113	11,329	124	9,319
OTHER EXPENSES	24				
Rent					
Rent for office		91		75	
Rent for Employee Residence		365	456	343	418
Rate and taxes			6		4
Power & Fuel			360		419
Insurance			8		5
Communication			129		98
Repair & Maintenance					
Buildings		141		92	
Others		179	320	146	238
Travelling & Conveyance			374		350
Vehicle Hire & Running			198		157
Security			192		133
Publicity & Public relation			51		64
Other General Expenses			1,719		535
Loss on sale of assets			5		3
Deferred Revenue Expenditure Written Off			0		1
DEPRECIATION	10		602		491
TOTAL EXPENDITURE (A)			15,749		12,235
RECEIPTS					
OTHER INCOME	21				
Interest					
From Bank Deposit		5		10	
From Employees		101		71	
From Others		4	110	3	84



Amount in lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2014		For The Year Ended 31-Mar-2013	
Machine Hire Charges			1		0
Rent Receipts			64		77
Sundry Receipts			37		143
Excess Provision Written Back			121		160
Profit on Sale of Assets			0		1
TOTAL RECEIPTS (B)			333		465
PRIOR PERIOD ADJUSTMENTS	26		33		4
NET EXPENDITURE BEFORE TAXATION			15,449		11,774
PROVISION FOR TAXATION	27				
Wealth Tax		9	9	6	6
NET EXPENDITURE INCLUDING TAXATION			15,458		11,780
Balance Brought Forward From Last Year			977		1,150
TOTAL EDC			16,435		12,939
Less:-					
EDC Allocated To CWIP / Asset		14,229		11,199	
EDC Of Projects Under Approval Charged To Profit & Loss Account		573	14,802	763	11,962
Balance Carried Forward To CWIP			1,633		977

Note -12

DEFERRED TAX ASSET

Amount in lac ₹

Particulars	Notes No.	As at 31-Mar-2014		As at 31-Mar-2013	
Deferred Tax Liability		(2,976)		(2,976)	
Deferred Tax Asset		41,396	38,421	34,476	31,501
Deferred Tax Adjustment			(6,313)		(6,313)
Total			32,108		25,188

Note :-13

LONG TERM LOANS AND ADVANCES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
Capital Advances					
Unsecured					
i) Against Bank Guarantee		12,430		4,208	
ii) Rehabilitation & Resettlement (Govt. of Uttarakhand / SLAO)		8,054		10,757	
iii) Others		23,173		23,154	
iv) Accrued Interest On Advances		2	43,659	8,445	46,564
SUB TOTAL - CAPITAL ADVANCES			43,659		46,564
Loans To Employees					
Secured		2,313		2,670	
Unsecured		1,542	3,855	812	3,482
Interest Accrued On Loans To Employees					
Secured		2,055		1,968	
Un secured		172	2,227	59	2,047
Loans To Directors					
Secured		2		0	
Unsecured		0	2	0	0
Interest Accrued On Loans To Directors					
Secured		3		4	
Unsecured		0	3	0	4
Other Advances (Un Secured) (Advances Recoverable In Cash or In Kind or For Value To Be Received)					
To Employees		212		182	
For Purchases		0		1	
To Others		7,161	7,373	6,962	7,165
Deposits					
Security Deposit		191		190	
Deposit with Govt/Court		391		300	
Other Deposit		1	583	1	491
SUB-TOTAL			14,043		13,189
LESS:- Provision For Bad & Doubtful Advances			0		9
SUB TOTAL - ADVANCES			14,043		13,180
TOTAL LOANS AND ADVANCES			57,702		58,744
Note :- Due From Directors					
Principal			2		0
Interest			3		4
TOTAL			5		4
Note :- Due From Officers					
Principal			4		1
Interest			5		5
TOTAL			9		6



Note :-14

OTHER NON CURRENT ASSETS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
Construction Stores (At Cost Determined On Weighted Average Basis or Net Realizable Value Whichever is Lower)					
Other Civil And Building Materials		2		0	
Others		17		6	
Material Under Inspection (Valued At Cost)		0	19	0	6
Sub Total			19		6
Prepaid Expenses		143		43	
Interest Accrued but not due		0	143	0	43
Sub Total			143		43
TOTAL			162		49

Note :-15

INVENTORIES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
Inventories (At Cost Determined On Weighted Average Basis or Net Realizable Value Whichever is Lower)					
Other Civil And Building Material		185		176	
Others (including Stores & Spares)		3,492		2,653	
Material In Transit (Valued At Cost)		8		0	
Material Under Inspection (Valued At Cost)		6	3,691	41	2,870
Less: Provision For other stores			310		312
TOTAL			3,381		2,558

Note :-16

TRADE RECEIVABLES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
Debts Outstanding Over Six Months					
Unsecured, Considered Good		1,03,285		1,09,990	
Considered Doubtful		0	1,03,285	0	1,09,990
Other Debts					
Unsecured, Considered Good		69,131		1,20,711	
Considered Doubtful		0	69,131	0	1,20,711
TOTAL			1,72,416		2,30,701

16.1 Trade Receivable includes Regulatory Asset Debtors of ₹109062 Lacs (FY ₹112272 Lacs).

Note :-17

CASH AND BANK BALANCES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
Cash & Cash Equivalents					
Balances With Banks (Including Auto sweep, Flexi Deposit with Banks)			7,690		1,556
Cash on Hand			2		3
Other Bank Balances					
Others (Balance with Bank under Lien not available for use by the company)			50		50
TOTAL			7,742		1,609

Note :-18

SHORT TERM LOANS AND ADVANCES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
Loans To Employees					
Secured		630		553	
Unsecured		158	788	58	611
Interest Accrued On Loans To Employees					
Secured		129		86	
Un secured		2	131	1	87
Loans To Directors					
Secured		3		0	
Unsecured		0	3	0	0
Interest Accrued On Loans To Directors					
Secured		1		1	
Unsecured		0	1	0	1
Others					
Unsecured, considered good		0	0	16	16
Other Advances (Un Secured) (Advances Recoverable In Cash or In Kind or For Value To Be Received)					
To Employees		351		278	
For Purchases		404		344	
To Others		967	1,722	399	1,021
Deposits					
Security Deposit		145		79	
Tax Deposit		2,446		720	
Deposit with Govt/Court		209		210	
Other Deposit		0	2,800	0	1,009
SUB-TOTAL			5,445		2,745
LESS:- Provision For Bad & Doubtful Advances			8		0
TOTAL ADVANCES			5,437		2,745
TOTAL LOANS AND ADVANCES			5,437		2,745
Note :- Due From Directors					
Principal			3		0
Interest			1		1
TOTAL			4		1
Note :- Due From Officers					
Principal			2		1
Interest			0		0
TOTAL			2		1

Note :-19

OTHER CURRENT ASSETS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
Prepaid Expenses			1,168		664
Interest Accrued			3		1
TOTAL			1,171		665



Note :-20

REVENUE FROM OPERATIONS

Amount in lac ₹

Particulars	Note No.	For The Year Ended	
		31-Mar-2014	31-Mar-2013
Energy Sales		2,02,077	1,87,741
Add:			
Advance Against Depreciation		1,619	5,441
Less :			
Advance Against Depreciation- Deferred		0	0
FERV Recovery From Beneficiaries			934
V.L. / Congestion Charges			1,359
Consultancy Income			681
TOTAL		2,06,696	1,95,614

20.1 The company has filed tariff petition before the Hon'ble CERC for Tehri HEP 2009 -14 tariff period. Pending final tariff determination, sales revenue has been recognized on the basis of provisional AFC determined as per tariff regulations 2009 applicable for the period 2009-14.

The Hon'ble CERC has issued final tariff order dated 16.04.2013 for Tehri HEP for the period 2006-09 . Company filed review petition seeking amendments on various issues. The CERC has disposed the tariff petition vide its order dated 07.01.2014 allowing some of the contentions of the company.

Being aggrieved the company has preferred appeal before the APTEL. Impact of the contentions allowed in the review order amounting to ₹ 3578 Lac has been accounted for as sales revenue after considering AAD of ₹1619 Lac.

20.2 The company has filed tariff application before the CERC seeking tariff fixation of Koteswar HEP for the period 2011-14. The company had claimed cost of common facilities as capital cost along with the GOD of the first generating unit. The CERC has issued tariff order dated 15.05.2014(after the Balance Sheet date) for Koteswar HEP for the period 2011-14 allowing provisional tariff.

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. On commercial operation of project the tariff forms were revised and submitted to CERC on 02.02.2013, duly certified by the Statutory Auditors.

In the said order cost of utility has been apportioned equally among all the four generating units which lowered the tariff by ₹ 22700 Lac for the period 2011-2014 which has been accounted for.

The company has made regulatory liability of ₹ 15192 Lac i.e the difference between the amount collected from the beneficiaries as mutually agreed to during the period 2011-14 and amount allowed by the CERC in the aforesaid order. The said regulatory liability has been adjusted against sundry debtors.

Note :-21

OTHER INCOME

Amount in lac ₹

Particulars	Note No.	For the Year Ended 31-Mar-2014		For the Year Ended 31-Mar-2013	
Interest					
On Bank Deposits (Includes TDS ₹ 30559.00 Previous year ₹ 27793.00)		26		48	
From Employees		348		307	
Others		889	1,263	4,366	4,721
Machine Hire Charges			1		9
Rent Receipts			124		165
Sundry Receipts			355		303
Excess Provision Written Back			276		630
Profit on Sale of Assets			36		55
Late Payment Surcharge			9,846		1,621
TOTAL			11,901		7,504
Less :					
Transferred To EDC	11.1		333		465
TOTAL			11,568		7,039

Note :-22

EMPLOYEE BENEFITS EXPENSES

Amount in lac ₹

Particulars	Note No.	For the Year Ended 31-Mar-2014		For the Year Ended 31-Mar-2013	
Salaries, Wages, Allowances & Benefits			24,777		23,559
Contribution to Provident & Other Funds			1,697		1,492
Pension Fund			1,397		1,081
Gratuity			1,934		1,807
Welfare Expense			378		703
TOTAL			30,183		28,642
Less :					
Transferred To EDC	11.1		11,329		9,319
TOTAL			18,854		19,323

Note :-23

FINANCE COSTS

Amount in lac ₹

Particulars	Note No.	For the Year Ended 31-Mar-2014		For the Year Ended 31-Mar-2013	
Finance Costs					
Interest On Loans			54,520		62,214
TOTAL			54,520		62,214
LESS:-					
Transferred And Capitalised With CWIP Account	11.1		1,493		1,704
TOTAL			53,027		60,510



Note :-24

GENERATION ADMINISTRATION AND OTHER EXPENSES

Amount in lac ₹

Particulars	Note No.	For the Year Ended	
		31-Mar-2014	31-Mar-2013
Rent			
Rent for office		143	133
Rent for Employees Residence		724	710
Rate and taxes			106
Power & Fuel		1,379	1,507
Insurance		1,298	1,113
Communication		345	325
Repair & Maintenance			
Plant & Machinery		1,367	1,383
Consumption of Stores & Spare Parts		617	549
Buildings		680	1,001
Others		1,440	1,664
Travelling & Conveyance			886
Vehicle Hire & Running			1,019
Security		2,101	1,885
Publicity & Public relation		172	208
Other General Expenses		4,788	1,766
Loss on sale of assets		17	195
Survey And Investigation Expenses		576	806
Research & Development		341	397
Expenses on Consultancy Project/ Contract		35	51
Deferred Revenue Expenditure Written Off		0	10
Expenditure On CSR & S.D. Activities		1,063	1,726
Rebate to Customers		252	173
TOTAL			17,613
LESS:-			
Transferred To EDC	11.1	3,818	2,425
TOTAL		15,370	15,188

Note :-25

PROVISIONS

Amount in lac ₹

Particulars	Note No.	For the Year Ended	
		31-Mar-2014	31-Mar-2013
Provisions For Doubtful Debts, Loans & Advances		0	0
Provisions For Stores & Spares		0	24
TOTAL		0	24
LESS:-			
Transferred To EDC	11.1	0	0
TOTAL		0	24

Note :-26

PRIOR PERIOD INCOME/EXPENDITURE (NET)

Amount in lac ₹

Particulars	Note No.	For the Year Ended	
		31-Mar-2014	31-Mar-2013
INCOME			
Misc Receipt		1	1
			0
			0
EXPENDITURE			
Personnel Exp		6	1
Repair and Maintenance		178	0
Other General Expenses		1	0
Depreciation		911	384
Advertisement & Publicity		5	0
Misc- Others		9	41
		1,110	426
Sub Total			1,109
			426
LESS:-			
Transferred To EDC	11.1		33
			4
TOTAL			1,076
			422

Note :-27

PROVISION FOR TAXATION

Amount in lac ₹

Particulars	Note No.	For the Year Ended	
		31-Mar-2014	31-Mar-2013
INCOME TAX			
Current Year		13,952	11,953
Sub Total		13,952	11,953
TOTAL		13,952	11,953
WEALTH TAX			
Current Year		42	38
Sub Total		42	38
LESS:-			
Transferred To EDC	11.1		9
			6
TOTAL			33
			32



28. The Accounting Standards issued by ICAI have been complied with as under:

A.S. NO.	NOMENCLATURE	DESCRIPTION
AS 1	DISCLOSURE OF ACCOUNTING POLICIES.	<ul style="list-style-type: none">• Significant Accounting Policies adopted in the preparation and presentation of financial statements has been disclosed in the Financial Statements.• During the year company has changed Accounting Policy in relation to Capital Expenditure on Assets not owned by the Company and Policy related to Corporate Social Responsibility & Sustainability Development. Impact of such change has been disclosed vide note no. 29.17.
AS 2	VALUATION OF INVENTORIES.	<ul style="list-style-type: none">• The company is engaged in generation of hydro electricity power, thus does not hold raw materials/WIP Construction Stores, Spare parts and consumables held for Construction activity /supply and consumption in course of generation process is valued at cost determined on weighed average basis or net realizable value whichever is lower.
AS 3	CASH FLOW STATEMENTS.	<ul style="list-style-type: none">• Cash Flow statement is being prepared as a part of Financial Statements using indirect method as per para 18 (b) of AS-3 as disclosed in Significant Accounting Policy No. 14.
AS 4	CONTINGENCIES AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE	<ul style="list-style-type: none">• CERC has issued Orders dated 15.05.2014 and 05.06.2014 for KHEP and Tehri HPP respectively after the Balance Sheet date but before approval of Accounts. The impact of above orders has been accounted for.
AS 5	NET PROFIT OR LOSS FOR THE PERIOD, PRIOR PERIOD ITEMS AND CHANGE IN ACCOUNTING POLICIES.	<ul style="list-style-type: none">• There is no extra ordinary income /expenditure for which disclosure is required under AS 5. Prior period items (income / expenditure) have been disclosed in Note 26.
AS 6	DEPRECIATION ACCOUNTING.	<ul style="list-style-type: none">• Depreciation has been provided as per CERC Regulations as stated in accounting policy no. 8. Necessary disclosures such as Historical Cost, Depreciation for the year, Accumulated Depreciation etc. as required under AS 6 have been disclosed in Note No. 10 – Fixed Assets.
AS 7	ACCOUNTING FOR CONSTRUCTION CONTRACTS.	<ul style="list-style-type: none">• The company has not undertaken any construction contracts during the reporting period. Thus not applicable.
AS 8	ACCOUNTING FOR RESEARCH AND DEVELOPMENT.	<ul style="list-style-type: none">• The AS stands withdrawn.
AS 9	REVENUE RECOGNITION.	<ul style="list-style-type: none">• The Company has been recognising its sales revenue on the basis of final tariff allowed by CERC and AFC (Annual Fixed Cost) determined based on tariff regulation pending final tariff order to be issued by CERC. Significant

A.S. NO.	NOMENCLATURE	DESCRIPTION
		Accounting Policy no. 10(i) to 10(iv) explains sales revenue mechanism followed by Company.
AS 10	ACCOUNTING FOR FIXED ASSETS.	<ul style="list-style-type: none"> • Cost of Fixed Assets, purchased/ self constructed have been accounted for in accordance with AS-10. • Necessary disclosure in respect of Gross/ Net Book Value of Assets at the beginning and end of Accounting Period showing details of additions made, assets discarded/ sold have been disclosed in Financial Statements.
AS 11	ACCOUNTING FOR THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES.	<ul style="list-style-type: none"> • Accounting Policies relating to Foreign Transactions has been disclosed vide Significant Accounting Policies No. 7(i) to 7(iv).
AS 12	ACCOUNTING FOR GOVERNMENT GRANTS.	<ul style="list-style-type: none"> • Company has received consumer contribution from GOUP toward Irrigation Component & PHRD grant from World Bank for VPHEP project, accounting treatment has been given in accordance with AS 12 and disclosed in Significant Accounting policy No. 3.
AS 13	ACCOUNTING FOR INVESTMENTS.	<ul style="list-style-type: none"> • The Company has not made any investment hence this AS is not applicable.
AS 14	ACCOUNTING FOR AMALGAMATIONS	<ul style="list-style-type: none"> • Not Applicable.
AS 15	EMPLOYEE BENEFITS	<ul style="list-style-type: none"> • The Company contributes at a fixed % of Basic and DA as declared by EPFO towards Provident Fund Contribution under Defined Contribution Plan and various benefits such as Gratuity, Leave Salary, Post Retirement Medical facility under Defined benefit Plan. Suitable amounts are provided in books based on actuarial valuation. • Pending approval of Ministry of Power (MOP), 10% of Basic and DA has been provided towards contribution under proposed Superannuation Pension Scheme.
AS 16	BORROWING COSTS.	<ul style="list-style-type: none"> • Company has recognised ₹ 1493 lac as borrowing cost for CWIP during the year. Recognition of borrowing cost has been explained in accounting policy no. 6 (i) & 6(ii).
AS 17	SEGMENT REPORTING.	<ul style="list-style-type: none"> • At present the Company is engaged in Generation of hydro power from Tehri & Koteshwar HEP located in district Tehri Garhwal in the state of Uttarakhand. Hence, segment reporting is not applicable.
AS 18	RELATED PARTY DISCLOSURES.	<ul style="list-style-type: none"> • No related party transaction has been carried out during the year. However details of Remuneration of Key



A.S. NO.	NOMENCLATURE	DESCRIPTION
		Managerial Personnel has been disclosed vide note no. 29.9.
AS 19	LEASES.	<ul style="list-style-type: none">• Company has not entered into any financial lease during the year. Operating lease transactions have been disclosed vide note no. 29.15.
AS 20	EARNINGS PER SHARE.	<ul style="list-style-type: none">• Company has not issued any potential Equity Share, hence EPS both Basic and Diluted remains same and has been disclosed in Statement of Profit & Loss.
AS 21	CONSOLIDATED FINANCIAL STATEMENTS.	<ul style="list-style-type: none">• There is no subsidiary / holding company of THDCIL, thus this AS 21 is not applicable.
AS 22	ACCOUNTING FOR TAXES ON INCOME.	<ul style="list-style-type: none">• During the year 2013-14 Deferred Tax Asset amounting to ₹ 6920 lac has been accounted for.
AS 23	ACCOUNTING FOR INVESTMENTS IN ASSOCIATES IN CONSOLIDATED FINANCIAL STATEMENTS.	<ul style="list-style-type: none">• Company does not have any associates; therefore, this AS is not applicable.
AS 24	DISCONTINUING OPERATIONS.	<ul style="list-style-type: none">• No operation/activities have been discontinued during the year, thus no disclosure is required.
AS 25	INTERIM FINANCIAL REPORTING.	<ul style="list-style-type: none">• The company has been preparing interim Financial Statements as a good governance practice even though not a listed Company.
AS 26	INTANGIBLE ASSETS.	<ul style="list-style-type: none">• Company has been recognising the cost of computer application software as intangible asset and amortise over a period as explained in Significant Accounting Policy no. 8(vi).
AS 27	FINANCIAL REPORTING OF INTERESTS IN JOINT VENTURES	<ul style="list-style-type: none">• Company has no joint venture project. Hence this AS is not applicable.
AS 28	IMPAIRMENT OF ASSETS.	<ul style="list-style-type: none">• There is no impairment of asset during the year.
AS 29	PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS.	<ul style="list-style-type: none">• The Company makes best assesment taking into different factors such as possibility/ certainty of financial obligation on Company and probability of cash outflow and provides liability accordingly. Other cases are considered as Contingent Liability.
AS 30	FINANCIAL INSTRUMENTS: RECOGNITION & MEASUREMENT	<ul style="list-style-type: none">• Concerned Standards are in relation to Measurement, Presentation and disclosure of Financial Instruments. Hence these AS are not applicable
AS 31	FINANCIAL INSTRUMENTS PRESENTATION	
AS 32	FINANCIAL INSTRUMENTS: DISCLOSURES	

NOTE NO. 29 OTHER EXPLANATORY NOTES ON ACCOUNTS:

1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 328584 lac [Previous year (P.Y. ₹ 178918 lac)].

2. CONTINGENT LIABILITIES

	(₹ Lac)	
	2013-14	2012-13
(i) Claims against the Company, not Acknowledged as debts: Arbitration /Court cases Includes:		
	199281	229245
(a) Bank Guarantee ₹ 3778 Lac (P.Y. ₹ 29 lac) Given by company		
(b) Decreed against the Company in different Arbitration/ Labour court Cases and deposited by The Company but Disputed in appeals. ₹ 351 Lac (P.Y. ₹ 280 lac)		
(ii) Disputed Income Tax, Trade Tax, Commercial Tax, Entry tax includes ₹ 179 lac (P.Y. ₹ 179 lac) Deposited by Company but disputed in appeal.	180	722
(iii) Others (Contractors claims etc.)	218	207

3. Company has also accepted EMD/Security Deposit in the shape of FDR/CDR amounting to ₹ 1047 lac (P.Y. ₹ 840 lac) besides the "Deposits, Retention money from Contractors" amounting to ₹ 4890 lac (P.Y. ₹ 2951 lac) as disclosed in Note 4 & Note 8.

4. An amount of ₹ 7800 lac is recoverable by the company from the Uttarakhand Govt. towards extra space provided by the company for official premises of the Govt. The District Magistrate raised a demand note of ₹ 8449 lac inclusive of royalty claim of ₹ 3820 lac and balance amount towards interest thereon. ₹ 1900 lac was paid in cash against earlier royalty demand of ₹ 3820 lac and balance amount of ₹ 1920 lac was adjusted against amount recoverable by the company towards cost of extra space provided. The said amount of ₹ 3820 lac had been considered as cost of the capital assets of the project. The District Magistrate raised further demand note of ₹ 17002 lac and ₹ 2829 lac towards royalty payable by the company against aggregates used in construction of Tehri and Koteswar HEP after adjusting the amount already paid and claim made for extra space.

Being aggrieved the company filed writ petitions before the Hon'ble High Court of Uttarakhand with prayer to annul the demands. As per interim order of the Hon'ble High Court BG of ₹ 3749 lac had been submitted and bond of ₹ 16082 lac has been signed in favour of the Uttarakhand Govt. At present the Hon'ble High Court of Uttarakhand vide its order dated 25.05.2014 has disposed of both the writ petitions quashing the entire demands with directives to return the BG/ Bond and refund the amount paid if any. Actions have been initiated to get refund of the amounts paid and return of BG. As the appeal period has not yet been expired, no further accounting adjustment has been made.

5. The amount of borrowing cost capitalized during the year is ₹ 1493 lac (P.Y. ₹ 1704 lac) after adjustment of an amount of ₹ Nil lac (P.Y. ₹ Nil lac) towards interest earned on short term deposits of surplus borrowed funds during the year.



6. With the approval of the Board of Directors for implementing Defined Contribution Pension Scheme 2007, formal proposal has been forwarded to Ministry of Power for seeking approval. Pending receipt of approval, provision for pension fund @ 10% of Basic pay & DA amounting to ₹ 1401 lac has been made in accounts.
7. (i) Pursuant to the Government of India, MOE&F, New Delhi's order no.E.No.8-3/89-FC dated 17/23rd Oct., 2002- the Government of Uttarakhand vide its office order no. GI-186/7-1-2002-300(459)/88 dated 30 Oct., 2002 has issued order for diversion of 338.932 hectare Civil Soyam and Forest land at Kateshwar. Out of 338.932 hectare, lease deed for 337.057 hectare land has been executed and for balance 1.875 hectare forest land is pending for completion of legal formalities. Similarly in VPHEP, 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 which legal formalities are yet to be completed.
- (ii) Private land acquired by the company for reservoir, project work, colonies, misc. etc. including freehold land at various project is 3255.11 Ha. Out of which title deed of land measuring 1389.23 Hac is yet to be entered in the name of the Company.
- (iii) Construction of Tehri Hydro Complex was commenced by the Irrigation Dept. of the then Uttarpradesh State Govt in mid seventies. As the project area is inclusive of forest area, clearance for diversion of forest land for non forest use was sought from the MoEF, Govt. of India. The MoEF, GoI has conveyed clearance for diversion of 2582.9 ha of forest land (2311.4 ha Civil Soyam Land and 271.50 ha reserve forest land) vide their letter No. 8-32/06-FC dated 09th June 1987 addressed to Secretary Forest, Govt of Uttarpradesh for construction of Tehri Dam. The said order was partially modified vide letter No. 8-32/86-FC, dated 24/25th June 2004 of MoEF, Govt of India with directives to the Principal Secretary of Forest, Govt. of Uttaranchal for declaring the non forest land cleared for submergence as Reserve Forest/ Protected Forest U/s.4 or Sec 29 of the Indian Forest Act, 1927 or the State Forest Act. In view of the above facts the aforesaid land cannot be mutated in the name of the company. The said land remains the property of the State Govt. as Reserved Forest/ Protected Forest. Relying upon clearance of the MoEF, dam reservoir water has been allowed to submerge the said area which has been declared as Reserved Forest.
- 44.429 ha of Civil Soyam land subject to Forest Conservation Act on which stores, workshop, staff quarters and other utilities etc were constructed by the Irrigation Dept. of the then UP Govt as basic requirement forming integral part of the Tehri Hydro Project. Relying upon office order vide No. 585/Tehri Dam Project/23-C -4/T-18 dated 29.05.1989 issued by the Irrigation Dept of the then UP Govt. (issued for transferring assets of Irrigation Dept in favour of THDC India Ltd) the company has taken possession of the said assets. Formal communication is awaited.
8. 43 Flats (P.Y. 43 Flats) on the land acquired by the company are in unauthorized occupation of various persons. Freehold land includes 0.458 Hectares located at Sautiyal village encroached by unauthorized occupants.

9. a) Related Parties – Key Management Personnel:

Whole time Directors:

- | | | |
|----|---------------------|------------------------------|
| 1. | Shri R. S. T. Sai | Chairman & Managing Director |
| 2. | Shri D.V.Singh | Director (Technical) |
| 3. | Shri S.K. Biswas | Director (Personnel) |
| 4. | Shri. Sridhar Patra | Director (Finance) |
| 5. | Shri. C. P. Singh | Ex-Director (Finance) |

- 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 and Independent director's fees & expenses is ₹ 248 Lac (FY ₹ 212 Lac).
- d) Joint Venture companies - Nil.

10. Earnings per share (EPS) – Basic & Diluted

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

	2013-14	2012-13
Net profit after tax used as numerator (₹ In lac)	₹ 59632.43	₹ 53137.70
Weighted average no. of equity shares used as denominator	Basic : 34435027 Diluted : 34435027	Basic : 33660524 Diluted : 33660524
Earning per share ₹		
Basic	172.88	157.86
Diluted	172.88	157.86
Face Value per share ₹	1000	1000

11. 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 ₹ 6920 lac (FY ₹ 5372 Lac) has been booked to Profit and Loss Account. The deferred tax assets pertaining to the period up to 31st March 2009 is refundable to the beneficiaries, thereafter, it is a part of the current tax as per CERC Regulations 2009-2014 and not refundable. The item-wise detail of cumulative Deferred Tax Liability/Assets is as under:

₹ in lac

Sl. no	31.03.2014	31.03.2013
	Deferred Tax Liability (A)	
i)	0	0
	Deferred Tax Assets (B)	
ii)	26631	19650
iii)	7309	7859
iv)	166	166
v)	0	0
vi)	4315	3826
	(38421)	(31501)

12. (i) In line with the Guidelines issued by Govt. of India, Company is required to incur expenditure on Corporate Social Responsibility and sustainability Development @ 2% of profit after tax for the year 2012-13 during the year 2013-14. Accordingly ₹ 1063 Lac has been provided for in accounts .
- (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 2012-2013 during the year 2013-2014. 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 2013-14. During the year expenditure of ₹ 266 lac has been booked on R&D activity.

13. There is no outstanding amount as payable to Suppliers/Service providers registered under MSMED Act 2006.
14. The management carried out the construction works of Koteswar HEP through the contractor M/s. PCL Intratech Lenhydro Consortium under Risk & Cost mechanism to expedite project completion. Payment made by the company in excess of amount payable under the contract had been debited to Risk & Cost Account and shown as recoverable from the contractor. The company had levied interest @ 16 % on the yearly outstanding amount of the Risk & Cost Account. The interest so levied was credited to CWIP account. At present the contract has been foreclosed.

The contractor has gone for arbitration. The Arbitral Tribunal has made detailed deliberation in para 207 of the award dated 17.12.2010 and concluded that the interest levied by the company is not maintainable apart from admitting claim of the contractor. The company has filed writ petition before the Hon'ble High Court of New Delhi challenging the award as erroneous and illegal. The award remains in force unless and until the same is set aside by the High Court. In view of the order of the arbitral tribunal the interest as levied in the past years amounting to ₹ 11718 lac has been reversed and Memorandum Account is maintained for the same.

15. The Company has taken on lease / rent premises for employees / offices / Guest Houses/Transit camps & Vehicles. These lease arrangements are usually renewable on mutually agreed terms. Rent/Lease include ₹ 901 lac (PY ₹ 794 lac) towards lease payment (net off recoveries).
16. 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 Family Pension scheme is paid to the appropriate authorities. The contribution of ₹ 129 lac (PY ₹ 133 lac) to the fund for the period is recognized as expense and is charged to statement of Profit & Loss. The obligation of the company is to make such fixed contribution to ensure minimum rate of return to the member as specified by GOI. As per Actuarial valuation the liability due to statutory interest rates guaranteed for provident fund as on 31.03.2014 as per AS-15 (Revised) comes to ₹ 125 lac (PY ₹ 84 lac) as against the revenue surplus of ₹ 103 lac (PY ₹ 79 lac).
- 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 31.03.2014. Accordingly, disclosure under the provision of Accounting Standard 15 on "Employee Benefits" for the Financial Year ended 31.03.2014 is given below:

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

Particular	31.03.2014	31.03.2013
Mortality Table	IALM(2006-08)	LIC (1994-96) Duly modified
Discount Rate	8.5%	8%
Future Salary Increase	6.5%	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	9611	4267	2027	4594	654
Interest cost	769	341	162	368	52
Past service cost					
Current service cost	555	282	77	245	36
Benefit paid	(479)	(919)	(58)	(76)	(27)
Actuarial (Gain)/loss	593	938	118	(467)	(85)
PVO at end of year	11049	4909	2326	4664	632

Table - 3: Amount Recognized 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	11049	4909	2326	4664	632
Fair Value of Plan Assets at the end of year					
Funded Status	(11049)	(4909)	(2326)	(4664)	(632)
Unrecognised actuarial gain/loss					
Net liability recognized in Balance Sheet	(11049)	(4909)	(2326)	(4664)	(632)

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	555	282	77	245	36
Interest Cost	769	342	162	368	52
Past Service Cost					
Expected return on Plan Assets					
Net Actuarial (gain)/loss recognized for the year	593	938	118	(467)	(86)
Expense recognized in Profit & Loss/EDC for the year.	1017	1562	357	146	5



17. Change in Accounting Policy:

Sl.No.	Policy	Impact
01	Policy No. 4(v) Capital Expenditure on Assets not owned by the Company is reflected as distinct item in CWIP till the period of Completion and thereafter in the Fixed Assets.	Decrease in Fixed Assets by ₹ 2615 Lac and decrease in Cumulative depreciation ₹ 2462 lac and Increase in Expenses /EDC by ₹ 153 Lac.
02	Policy no.8(vi) relating to amortization of Capital Expenditure not owned by the Company.	
03	Policy No. 10 (xii) related to CSR, SD and R&D.	Decrease in CSR & SD expenses by ₹ 235 lac and correspondingly increase in Profit before Tax by ₹ 235 lac.

18. 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.

19. Payment to Auditors (including service tax)

₹ in lac

		2013-14	2012-13
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	3

*Subject to approval in Annual General Meeting.

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

₹ in lac

	PARTICULARS	2013-14	2012-13
A	Expenditure in Foreign Currency (on cash basis)		
	Travelling	15	11
	Consultancy & Professional Expenditures	5060	2499
	Management/Commitment fee	0	0
	Repayment of loan & Interest	2802	2504
	Import of goods	341	207
	Others (Advances)	2818	128
	Nomination for Conference		2
	Purchase of Software		0
	TOTAL	11036.00	5351.00
B	Earnings in Foreign Currency (on cash Basis)	0	0.00
C	Value of Imports calculated on CIF basis		
i)	Capital Goods	470	265
ii)	Spare parts		
	Total	470.00	265.00
D	Value of Components, Stores & Spare parts Consumed		
i)	Imported (in lacs Rupees)	1	54
	(%)	0.14	9.9
ii)	Indigenous (in lacs Rupees)	617	495
	(%)	99.86	90.1
E	Value of Export	0.00	0.00

Value of spare parts & components consumed:

2013-14	Imported		Indigenous	
	%	₹	%	₹
Tehri O&M	0.16	1.00	99.84	535.00
Rishikesh Main				
Koteshwar			100.00	82.00
VPHEP				
Total		1.00		617.00
2012-13	Imported		Indigenous	
	%	₹	%	₹
Tehri O&M	9.90	54.00	90.10	495.00
Rishikesh Main				
Koteshwar				
VPHEP				
Total		54.00		495.00



21. Licensed and Installed Capacities:-

Sl. No	PARTICULARS	2013-14	2012-13
(i)	Licensed Capacity (M.W)	Not Applicable**	Not Applicable**
(ii)	Installed Capacity (M.W)	1400MW	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	NIL
	Sales	NIL	NIL
(b)	Commercial period		
	Generation	5582.2641620 MU	4266.03716 MU
	Sales (net of free power to home state, auxiliary consumption and transformation losses)	4887.0780941 MU	3735.06309 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.

22. 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

(Sridhar Patra)
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

(Anant Bhatia)
Partner
Membership No.:- 507832

Date : 27.08.2014
Place : New Delhi

INDEPENDENT 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, 2014, and the Statement of Profit & 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") read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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, 2014;
 - b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flow 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- Regarding accounting of sales being done on provisional basis pending final fixation of tariffs by CERC.
 - b. Note No. 29(7) - Regarding position of land at various projects for which formalities are still pending.



- c. Note No. 29(8) - Regarding unauthorized occupation of 43 Flats (Previous Year-43 Flats) by various persons and unauthorized occupants.
- d. Note No. 29(14) - Regarding adjustment of Advance to Contractors towards the Risk and Cost of KHEP Contractor (M/S PCL) against the security Deposit lying with the Company.
- e) on the basis of written representations received from the Board of Directors as on March 31, 2014, none of the directors is disqualified as on March 31, 2014 in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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 and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section(3C) of Section, 211 of the Companies Act, 1956;

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

(Anant Bhatia) FCA
Partner
Membership No. : 507832

Place : New Delhi
Date : 27.08.2014

ANNEXURE TO THE AUDITOR'S REPORT

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

1. In respect of its Fixed Assets:

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

2. In respect of its Inventories:

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

3. In respect of its 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.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems, Commensurate with the size of company and nature of its business, with regard to purchase of inventory and fixed assets. During the course of our audit we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the underlying internal control systems.
5. Based on the audit process applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need be entered in the register required to be maintained under that Section. The question of reasonableness of transactions ₹ 500000/- or more during the year does not arise.
6. Since the Company has not accepted any deposit from the public, the question of compliance with the directives issued by the Reserve Bank of India and the provisions of section 58-A, 58-AA and other relevant provisions of Companies Act, 1956, and rules framed there under, does not arise.
7. The Company has an Internal Audit system wherein external Chartered Accountant Firms are appointed to carry out periodic audits of different units of the Company. In our opinion, the scope and coverage of Internal Audit are commensurate with the size and nature of its business.
8. The Central Government has prescribed maintenance of Cost Records under Section 209 (1)(d) of the Companies Act, 1956. The company is maintaining the required Cost Records. However, the Cost Audit for the year 2013-14 is under progress.
9. a) According to the information and explanation given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty,



Excise Duty and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as on 31.3.2014 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 Trade Tax dues have not been deposited.

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

16. In our opinion, and according to the information and explanations given to us, the company has utilized the Term Loans drawn for the purpose for which they were raised during the year.

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

Assessment year	Amount (₹ In Lac)	Nature of Dues	Present Status
2007-08	1.02	Trade Tax	THDCIL has filed appeal against the demand raised in assessment order dated 28.02.2011.

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

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

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

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

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

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

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

19. The Company has not issued any debentures during the year.

20. The Company has not made any public issue of any securities during the year.

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

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

(Anant Bhatia) FCA
Partner
Membership No. : 507832

Place : New Delhi
Date : 27.06.2014



गोपनीय

संख्या: No. MAB-III/Rep/01-68/Acs-THDC/2014-15/1124

भारतीय लेखा एवं 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 18 September 2014

सेवा में,

अध्यक्ष एवं प्रबंध निदेशक,
टीएचडीसी इण्डिया लिमिटेड,
ऋषिकेश

विषय: 31 मार्च 2014 को समाप्त वर्ष के लिये टीएचडीसी इण्डिया लिमिटेड, ऋषिकेश के वार्षिक लेखों पर
कम्पनी अधिनियम 1958 की धारा 819(4) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की
टिप्पणियाँ।

महोदय,

मैं, टीएचडीसी इण्डिया लिमिटेड के 31 मार्च 2014 को समाप्त वर्ष के लेखाओं पर कंपनी अधिनियम 1958 की
धारा 819 (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: यद्योपरि।

भवदीया,

(तनुजा एस. मित्तल)
प्रधान निदेशक



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF THE THDC INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2014.

The preparation of financial statements of THDC India Limited for the year ended 31st March 2014 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 statement under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 27 August, 2014.

I, on behalf of 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 31st March, 2014. 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

Sd/-
(Tanuja. S. Mittal)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III.
New Delhi

Place : New Delhi

Dated : 18 September 2014

The image shows a wide, concrete spillway of a dam. A massive volume of water is cascading down the face of the spillway, creating a thick, white plume of spray and mist that rises high into the air. The water appears turbulent and powerful. The spillway structure is visible at the base of the water flow, showing a series of concrete steps or a wide channel. The background is a clear, bright sky.

टिहरी बांध के गेटरहित स्पिलवे का परिचालित दृश्य
Operational View of Ungated Spillway of Tehri Dam



टीएचडीसी इंडिया लि.

(भारत सरकार व उत्तर प्रदेश सरकार का संयुक्त उपक्रम)

गंगा भवन, प्रगतिपुरम, बाईपास रोड, ऋषिकेश-249201-(उत्तराखंड)

THDC INDIA LIMITED

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

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

Ph. : (0135) 2435842, 2439309 & 2437648 Fax : (0135) 2439442 & 2436761