

ANNUAL ACCOUNTS

2016 - 17



Significant Accounting Policies 2016-17

1 General

The accompanying financial statements have been prepared in conformity with the statutory provisions of the Companies Act, 2013, provisions of Electricity Act 2013, applicable CERC Regulations and the Statements, Standards and Guidance Notes issued by the Institute of Chartered Accountants of India from time to time. Ind AS have been made mandatory w.e.f 01st April 2016 for certain prescribed companies. Financial Statements of THDCIL have been prepared in compliance with the Ind AS.

2 Estimates & Assumptions

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 Property Plant & Equipment

- 3.1 Property, Plant and Equipment up to March 31, 2015 were carried in the Balance Sheet in accordance with Indian GAAP. The Company has elected to avail exemption as granted by the Ind AS 101- First time adoption of Ind Ass. to regard these amounts as deemed cost at the date of the transition to Ind AS (i.e. as on April 1, 2015) for the purpose of fair value as prescribed in the Ind AS.
- 3.2 PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost wherever required. Assets and systems

common to more than one generating unit are capitalized on the basis of engineering estimates/ assessments. The cost includes expenditure that is directly attributable to the acquisition/construction of the asset. In cases where final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalization is done on provisional basis subject to necessary adjustments, in the year of final settlement.

- 3.3 Spares parts procured along with the Plant & Machinery or subsequently meeting the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "Stores & Spares" forming part of the inventory.
- 3.4 If the cost of the replaced part or earlier major inspection is not available, the estimated cost of similar new parts/major inspection is used as an indication to arrive at cost of the existing part/inspection component at the time it was acquired or inspection carried out.
- 3.5 An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss for the year in which the asset is derecognised.
- 3.6 PP&E created on land not belonging to the Company, but under the control and possession of the Company, are included in PP&E.
- 3.7 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. Payments made/liabilities created provisionally towards compensation, rehabilitation of the outsees and other expenses relating to land in possession are treated as cost of land.

4 Capital work in progress

- 4.1 Expenditure incurred on assets under construction (including a project) is carried at cost under Capital work in Progress. Such costs comprise purchase price of asset including import duties, non-refundable taxes (after deducting trade discounts and rebates) and costs that are directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- 4.2 Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is carried under Capital work in progress and subsequently allocated on systematic basis. Expenditure of such nature incurred after completion of the project, is charged to Profit or Loss.
- 4.3 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 there-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 (Rehabilitation). The said asset is capitalized as Land unclassified from the date of commercial operation.

- 4.4 Deposit works are accounted for on the basis of statements of account received from the Agencies concerned.
- 4.5 In respect of supply-cum-erection contracts, the value of supplies received at site is treated as Capital-Work-in-Progress.
- 4.6 Claims for price variation in case of contracts are accounted for on acceptance.
- 4.7 Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, and other costs including administrative and general overhead costs if attributable to construction of projects. Such costs are allocated on systematic basis over Construction projects/Capital Work in Progress.

5 Intangible Assets

- 5.1 Upto March 31, 2015, Intangible assets were carried in the Balance Sheet in accordance with Indian GAAP. The Company has elected to avail the exemption granted under Ind AS 101, "First time adoption of Ind ASs" to regard those amounts as deemed cost at the date of the transition to Ind AS (i.e. as on April 1, 2015).
- 5.2 Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are

carried at cost less any accumulated amortisation and accumulated impairment losses.

- 5.3 Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses if any.
- 5.4 An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in the Statement of Profit and Loss of the year in when the asset is derecognised.

6 Foreign Currency Transactions

- 6.1 The Company has elected to avail the exemption available under Ind AS 101, First time adoption of Ind AS with regard to continuation of policy for accounting of exchange differences arising from translation of long term foreign currency monetary liabilities.
- 6.2 Transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. 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.
- 6.3 Exchange differences arising on translation or settlement of monetary items are recognised as income or expenses in the period in which they arise in Statement of Profit & Loss for the operational power stations and added to the carrying amount of capital work in progress in case of projects under construction.

7 Fair Value Measurement

- 7.1 Fair value is the price that would be received

to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Normally at initial recognition, the transaction price is the best evidence of fair value.

- 7.2 However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- 7.3 All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This categorisation is based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

- 7.4 Financial assets and financial liabilities are recognised at fair value on a recurring basis. The Company reviews the fair value techniques as to be adopted at the end of each reporting period and determines the fair value accordingly applying any of the levels specified above deemed suitable.

8 Financial assets other than investment in subsidiaries and joint ventures.

- 8.1 A financial asset includes inter-alia any asset

that is cash, contractual obligation to receive cash or another financial assets or to exchange financial asset or financial liability under condition that are potentially favourable to the Company. A financial asset is recognized under the circumstances when the Company becomes a party to the contractual provisions of the instrument.

- 8.2 Financial assets of the Company comprise cash and cash equivalents, Bank Balances, Advances to employees, security deposit, claims recoverable etc.
- 8.3 Based on existing business model of the company and contractual cash flow characteristics of the financial assets, classifications have been made as follows:
- 1.) Financial Assets at amortised cost,
 - 2.) Financial Assets at fair value through other comprehensive income, and
 - 3.) Financial Assets at fair value through Profit / Loss
- 8.4 **Initial recognition and measurement:-**All financial assets except trade receivables are recognised initially at fair value including the transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit or Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in Statement of Profit or Loss and in other cases spread over life of the financial instrument using EIR (Effective Interest Rate) method.
- 8.5 The company measures the trade receivables at their transaction price as it do not contain a significant financing component.

8.6 **Subsequent measurement:-**After initial measurement, financial assets classified at amortised cost are subsequently measured at amortised cost using EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

8.7 **De-recognition:-** A financial asset is derecognized when all the cash flows associated with the said financial asset has been realized or such rights have expired.

9 Inventories

- 9.1 Inventories mainly comprise stores and spare parts to be used for maintenance of Property, Plant and Equipments and are valued at costs or net realizable value (NRV) whichever is lower. The cost is determined using weighted average cost formula and NRV is the estimated selling price in the ordinary course of business, less the selling costs necessary to make the sale.
- 9.2 Carrying amount of inventory is assessed on each reporting date to reflect the same at NRV (Net Realisable Value). In case reduction of the carrying amount, suitable adjustment is made by reducing the carrying amount of the inventory to recognize at NRV and such amount reduced is also recognized as expenses in the Profit Loss Statement. Subsequent to reduction in the inventory value in case the NRV increases (upto the original cost), value of inventory is enhanced to recognize at NRV and incremental amount is recognized as income in the Profit Loss Statement. All inventory losses occur in natural course of business is recognized as expenses in the Profit Loss Statement.

10 Financial liabilities

- 10.1 Financial liabilities of the Company are

contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

10.2 The Company's financial liabilities include loans & borrowings, trade and other payables.

10.3 Classification, initial recognition and measurement

10.3.1 Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities and subsequently measured at amortized cost. Difference arising if any, between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the "Expenditure Attributable to Construction" if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the effective rate of interest.

10.3.2 Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

10.4 Subsequent measurement

10.4.1 After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

10.4.2 Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

10.5 **De-recognition** A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

11 Government Grants

11.1 Grants-in-Aid received from the Central/ State Government/ other authorities towards capital expenditure inclusive of contribution received from the Uttar Pradesh Govt 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.

12 Provisions, Contingent Liabilities and Contingent Assets

12.1 Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date.

12.2 Contingent liabilities are disclosed on the basis of judgment of management/ independent experts. These are reviewed at each balance sheet date and reflected in the financial statements using current estimates made by the management.

12.3 Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable.

13 Revenue Recognition and Other Income

13.1 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.

- 13.2 Adjustments arising out of finalization of Regional Energy Account (REA) , which may not be material, are effected in the year of respective finalisation.
- 13.3 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.
- 13.4 Advance against depreciation being considered as deferred income up to 31st March 2009 is recognised as sales on straight line basis over balance useful life of 23 years after completion of 12 years from the date of commercial operation of the project, considering the total useful life of the project as 35 years.
- 13.5 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.
- 13.6 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.

- 13.7 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.
- 13.8 Value of scrap is accounted for at the time of sale.
- 13.9 Compensation from third parties including from insurance companies for items of property, plant and equipment or for other items that were impaired, lost or given up and other claims is included in profit or loss on the basis of certainty of their realization. Impairments or losses of items, related claims for payments of compensation from third parties including insurance companies and any subsequent purchase or construction of assets/inventory are standalone economic events and are accounted for separately.

14 Expenditure

- 14.1 Cost of stores and spares used on repairs and maintenance are charged to the Repairs and Maintenance Account.
- 14.2 Prepaid expenses and prior period expenses/income of items of Rs.5,00,000/- or below in each case, are accounted for in their natural heads of accounts.
- 14.3 Net income/expenditure prior to Commercial operation is adjusted directly in the cost of related assets and systems.
- 14.4 Preliminary expenses on account of new projects incurred prior to approval of feasibility report are charged to revenue.
- 14.5 Amount at appropriate % of profit of previous year as prescribed under DPE guideline is set aside as non-lapsable fund for Research & Development.
- 14.6 Expenditure on CSR activities shall be made as per the provisions of Section 135 of the

Companies Act 2013. Any unspent amount shall be set aside as non-lapsable fund as per DPE guidelines.

- 14.7 Provision for doubtful debts / advances / claims outstanding over three years (except Government dues) is made unless the amount is considered recoverable as per management estimate. However, Debts / advances / claims shall be written off on case to case basis when unreliability is finally established.

15 Employee benefits

- 15.1 The company has established a separate Trust for administration of Provident Fund and employees defined contribution superannuation scheme for providing pension benefit. The company's contribution to the Funds is charged to expenditure. The liability of the company in respect of shortfall (if any) in interest on investments made by PF Trust is ascertained and provided annually on actuarial valuation at the year end.
- 15.2 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 Ind AS-19 is accounted for on accrual basis based on actuarial valuation determined as at the year end.
- 15.3 Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

16 Borrowing Cost

- 16.1 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.
- 16.2 Borrowing costs in respect of funds borrowed generally and used for the purpose of obtaining a qualifying asset but not directly relatable to specific PP&E 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.

17 Depreciation & Amortisation

- 17.1 Depreciation on additions to /deductions from Property, Plant & Equipment during the year is charged on pro-rata basis from / up to the date on which the asset is ready for use / disposal.
- 17.2 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.
- 17.3 Laptops provided to employees under Laptop scheme for official purpose are being written off over a period of four year with nil salvage value. The Depreciation on these items is charged @25% pa on straight line basis.

- 17.4 Temporary erections are depreciated fully (100%) in the year of acquisition/capitalization by retaining Re. 1/- as WDV.
- 17.5 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.
- 17.6 Low value items costing up to Rs.1500/-, which are in the nature of assets are not capitalized and charged to revenue.
- 17.7 Cost of Leasehold Land is amortized over the lease period.
- 17.8 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.
- 17.9 Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.

18 Impairment of non-financial assets other than inventories

- 18.1 The asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impaired loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there is a change in the estimate of the recoverable amount.

19 Income taxes

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also

recognised directly in equity or in other comprehensive income.

- 19.1 **Current income tax** The current tax is based on taxable profit for the year under the Income Tax Act, 1961. Taxable profit differs from profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible (permanent differences). The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in India where the Company operates and generates taxable income.

19.2 Deferred Tax

- 19.2.1 Deferred tax is recognised based upon balance sheet approach. Differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of an asset or liability in the instances where the transaction affects neither the taxable profit or loss nor the accounting profit or loss.

- 19.2.2 The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer

probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

19.2.3 Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax recovery adjustment account is credited/ debited to the extent the deferred tax for the current period which forms part of current tax in the subsequent periods and affects the computation of return on equity (ROE), a component of tariff.

20 Statement of Cash Flows

20.1 Statement of cash flows is prepared in accordance with the indirect method prescribed in the Ind AS 7. Cash and cash equivalents for the purpose of cash flow statement is inclusive of cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However for

Balance Sheet presentation, Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

21 Current versus non-current classification- The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

21.1 An asset is considered as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

21.2 A liability is considered as current when it is :

- Expected to be settled in the normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- Having no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

21.3 Deferred tax assets and liabilities are classified as non-current assets and liabilities.

22 Rate Regulated Activities

22.1 Ind AS 114 specifies the accounting for regulatory deferral account balances that arise from rate regulated activities. This standard is available only to first-time adopters who recognised regulatory deferral account balances under their previous GAAP. Ind AS permits eligible first-time



adopters to continue their previous GAAP rate regulated accounting policies, with limited changes, & required separate presentation of regulatory deferral account balances in the statement of financial position & statement of Profit or loss and other comprehensive income. Same has been adhered.

23 Dividend Distribution

23.1 Dividend distribution to the Company's

shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the Company's shareholders.

24 Segment Reporting

24.1 Electricity generation is the principal business activity of the company. Project Management and Consultancy works do not form a reportable segment as per the Ind AS - 108 - 'Operating Segments'.

BALANCE SHEET AS AT 31-March-2017

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
ASSETS							
Non-Current Assets							
(a) Property, Plant and Equipment	1		7,80,642		7,52,398		7,97,518
(b) Capital work-in- progress	2		3,03,496		2,39,066		1,67,420
(c) Other Intangible Assets	1		45		62		79
(d) Intangible Assets Under Development	2		33		33		33
(e) Financial Assets							
(i) Long Term Loans and Advances	3	4,694		4,702		4,741	
(ii) Other Non- Current Financial Assets	4	1,881	6,575	2,177	6,879	2,119	6,860
(f) Deferred Tax Assets (Net)	5		70,941		62,655		45,795
(g) Other Non-Current Assets	6		91,914		61,822		32,354
Current Assets							
(a) Inventories	7		3,264		3,190		3,168
(b) Financial Assets							
(i) Trade Receivables	8	1,73,228		2,07,198		2,38,719	
(ii) Cash and Cash Equivalents	9	6,707		7,558		4,098	
(iii) Bank Balances other than (iii) above	10	25,037		37		37	
(iv) Short Term Loans and Advances	11	4,305		4,421		4,136	
(v) Other Current Financial Assets	12	179	2,09,456	204	2,19,418	186	2,47,176
(c) Current Tax Assets (Net)	13		8,107		4,039		2,446
(d) Other Current Assets	14		6,322		5,573		4,828
Total			14,80,795		13,55,135		13,07,677
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital	15	3,59,888		3,55,888		3,52,888	
(b) Other Equity		5,33,651	8,93,539	5,05,517	8,61,405	4,47,793	8,00,681
Non-Current Liabilities							
(a) Financial Liabilities							
(i) Long Term Borrowings	16	4,04,185		3,49,792		3,27,566	
(ii) Non current Financial Liabilities	17	934		498		168	

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
(iii) Other Non current Financial Liabilities	18	220	4,05,339	164	3,50,454	97	3,27,831
(b) Other Non Current Liabilities	19		21,271		21,271		21,271
(c) Long Term Provisions	20		38,970		32,733		32,246
Current Liabilities							
(a) Financial Liabilities							
(i) Short Term Borrowings	21	38,724		3,677		43,634	
(ii) Trade Payables	22	41		49		72	
(iii) Other Current Financial Liabilities	23	68,815	1,07,580	61,376	65,102	58,385	1,02,091
(b) Other Current Liabilities	24		3,749		3,587		3,360
(c) Short Term Provisions	25		10,347		20,583		18,085
(d) Current Tax Liabilities (Net)	26		0		0		2,112
TOTAL			14,80,795		13,55,135		13,07,677

Significant Accounting Policies and the accompanying Notes form an integral part to these Financial Statement.

For and on Behalf of Board of Directors

(Rashmi Sharma)
 Company Secretary
 Membership No. 26692

(Sridhar Patra)
 Director (Finance)
 DIN: 06500954

(D.V. Singh)
 Chairman & Managing Director
 DIN: 03107819

As per our Report of Even Date Attached
 For **P.D. AGRAWAL & CO.**
 Chartered Accountants
 FRN 001049C of ICAI

(Ashish Kumar Agarwal)
 Partner
 Membership No. :- 077178

Date : 31.08.2017
Place: Rishikesh

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-March-2017

Amount in lac ₹

Particulars	Note No.	For The Period Ended 31-Mar-2017		For The Period Ended 31-Mar-2016	
INCOME					
Revenue from Operations	27		2,09,474		2,46,649
Other Income	28		14,123		1,481
Total Revenue			2,23,597		2,48,130
EXPENSES					
Employee Benefits Expense	29		25,425		22,857
Finance Costs	30		29,106		32,887
Depreciation & Amortisation	1		52,557		49,663
Generation Administration and Other Expenses	31		19,513		18,003
Provision for Bad & Doubtful Debts and Stores & Spares	32		445		9
Total Expenses			1,27,046		1,23,419
Profit Before Exceptional items and Tax			96,551		1,24,711
Exceptional Items- (Income)/ Expenses- Net			16,146		34,830
Profit Before Tax			80,405		89,881
Tax Expenses	33				
Current Tax					
Income Tax			17,154		24,252
Wealth Tax			0		0
Deferred tax- Asset			(8,142)		(16,269)
I Profit For The Period from continuing operations			71,393		81,898
II OTHER COMPREHENSIVE INCOME					
(i) Items that will not be classified to Profit or Loss:					
Actuarial Gain/ (Loss) through OCI	34		(414)		(301)
Income tax relating to items that will not be reclassified to profit or loss- Deferred Tax Asset			144		104

Amount in lac ₹

Particulars	Note No.	For The Period Ended 31-Mar-2017		For The Period Ended 31-Mar-2016	
Other Comprehensive Income			(270)		(197)
Total Comprehensive Income (I+II)			71,123		81,701
Earning per Equity Share (for continuing operations)					
Basic (₹)			198.85		230.52
Diluted (₹)			198.85		230.52

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

For and on Behalf of Board of Directors

(Rashmi Sharma)
 Company Secretary
 Membership No. 26692

(Sridhar Patra)
 Director (Finance)
 DIN: 06500954

(D.V. Singh)
 Chairman & Managing Director
 DIN: 03107819

As per our Report of Even Date Attached
 For **P.D. AGRAWAL & CO.**
 Chartered Accountants
 FRN 001049C of ICAI

(Ashish Kumar Agarwal)
 Partner
 Membership No. :- 077178

Date : 31.08.2017

Place: Rishikesh

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-March-2017

Amount in lac ₹
(Figures In Parenthesis Represent Deduction)

Particulars	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax, Prior Period adjustments and Extraordinary items		96,551		1,24,711
Adjustments for:-				
Depreciation (including Prior Period Depreciation)	52,574		50,721	
Provisions	445		9	
Bad Debts Written Off	-		-	
Interest on loans	29,106		32,887	
Other Comprehensive Income (OCI)	(414)		(301)	
Prior Period Adjustments through SOCIE	117		(1,065)	
Exceptional Items	(16,146)	65,682	(34,830)	47,421
Operating profit Before Working Capital Changes				
Adjustment For :-		1,62,233		1,72,132
Inventories	(76)		(26)	
Trade Receivables	33,970		31,521	
Other Assets	(428)		(821)	
Loans and Advances (Current + Non Current)	(4,387)		(1,845)	
Trade Payable and Liabilities	9,013		6,485	
Provisions (Current + Non Current)	(3,999)	34,093	2,985	38,299
Cash Generated From Operations		1,96,326		2,10,431
Corporate Tax		(17,154)		(24,252)
Net Cash From Operations (A)		1,79,172		1,86,179
B. CASH FLOW FROM INVESTING ACTIVITIES				
Change in:-				
Fixed Assets and CWIP	(1,51,762)		(83,778)	
Construction Stores	-		-	
Capital Advances	(30,092)		(29,468)	
Net Cash Flow From Investing Activities (B)		(1,81,854)		(1,13,246)

Amount in lac ₹

(Figures In Parenthesis Represent Deduction)

Particulars	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Share Capital (Including Pending Allotment)	4,000		3,000	
Borrowings	53,465		17,221	
Interest on loans	(29,106)		(32,887)	
Dividend & Tax on Dividend	(36,575)		(16,850)	
Net Cash Flow From Financing Activities (C)		(8,216)		(29,516)
D. NET CASH FLOW DURING THE YEAR (A+B+C)		(10,898)		43,417
E. OPENING CASH & CASH EQUIVALENTS		3,918		(39,499)
F. CLOSING CASH & CASH EQUIVALENTS(D+E)		(6,980)		3,918

Note:

1. Cash and Cash Equivalents includes Balance with Banks of ₹ 25037Lac (Previous year ₹ 37 Lac) which is not available for use by the Corporation.
2. Previous year's figures have been Regrouped / Rearranged / Recast wherever necessary.
3. Reconciliation of Cash & cash Equivalents has been made in Note No 37.19

For and on Behalf of Board of Directors

(Rashmi Sharma)
 Company Secretary
 Membership No. 26692

(Sridhar Patra)
 Director (Finance)
 DIN: 06500954

(D.V. Singh)
 Chairman & Managing Director
 DIN: 03107819

As per our Report of Even Date Attached
 For **P.D. AGRAWAL & CO.**
 Chartered Accountants
 FRN 001049C of ICAI

(Ashish Kumar Agarwal)
 Partner
 Membership No. :- 077178

Date : 31.08.2017

Place: Rishikesh

STATEMENT OF CHANGES IN EQUITY -**A. Equity Share Capital For The Year Ended 31-March-2017**

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017
		Amount
Balance at the beginning of reporting period		3,55,888
Changes in equity share capital during the period		4,000
Closing Balance at the end of the reporting period		3,59,888

B. Other Equity For The Year Ended 31-March-2017

Amount in lac ₹

Particulars	Note No.	Share Application Money Pending Allotment	Reserve & Surplus 01-Apr-2016 To 31-Mar-2017			Other Comprehensive Income	Total
			Contribution Received From GOUP towards Irrigation sector	Retained Earnings	Debenture Redemption Reserve & Others	Actuarial Gain/ (Loss)	
Opening Balance		0	1,44,118	4,15,725	0	(197)	5,59,646
Irrigation Component written off upto Previous Year			54,129				54,129
Net Opening Balance		0	89,989	4,15,725	0	(197)	5,05,517
Changes in accounting policy or prior period (income)/ expenses	35			(117)			(117)
Restated Opening Balance (I)		0	89,989	4,15,842	0	(197)	5,05,634
Profit For The Year				71,393			71,393
Other Comprehensive Income						(270)	(270)
Total Comprehensive Income				71,393		(270)	71,123
Dividend				30,389			30,389
Tax On Dividend				6,186			6,186
Transfer to Retained Earnings (II)				34,818			34,548
Transferred to Debenture Redemption Reserve (III)				(1,500)			(1,500)
Adjustment Towards Depreciation - Irrigation Sector (IV)			6,531				6,531
Debenture Redemption Reserve Addition/ (Utilised) during the year (V)					1,500		1,500
Closing Balance (I+II+III-IV+V)		0	83,458	4,49,160	1,500	(467)	5,33,651

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

For and on Behalf of Board of Directors

(Rashmi Sharma)
Company Secretary
Membership No. 26692

(Sridhar Patra)
Director (Finance)
DIN: 06500954

(D.V. Singh)
Chairman & Managing Director
DIN: 03107819

As per our Report of Even Date Attached
For **P.D. AGRAWAL & CO.**
Chartered Accountants
FRN 001049C of ICAI

(Ashish Kumar Agarwal)
Partner
Membership No. :- 077178

Date : 31.08.2017

Place: Rishikesh

A. Equity Share Capital For The Year Ended 31.03.2016

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2016
		Amount
Balance at the beginning of reporting period		3,52,888
Changes in equity share capital during the period		3,000
Closing Balance at the end of the reporting period		3,55,888

B. Other Equity For The Year Ended 31.03.2016

Amount in lac ₹

Particulars	Note No.	Share Application Money Pending Allotment	Reserve & Surplus 01-Apr-2015 To 31-Mar-2016			Other Comprehensive Income	Total
			Contribution Received From GOUP towards Irrigation sector	Retained Earnings	Debenture Redemption Reserve & Others	Actuarial Gain/ (Loss)	
Opening Balance		0	1,44,118	3,51,255	0	0	4,95,373
Irrigation Component written off upto Previous Year			47,580				47,580
Net Opening Balance		0	96,538	3,51,255	0	0	4,47,793
Changes in accounting policy or prior period (income)/ expenses	35			1,065			1,065
Opening Ind As Adjustment				487			487
Restated Opening Balance (I)		0	96,538	3,50,677	0	0	4,47,215
Profit For The Year				81,898			81,898
Other Comprehensive Income						(197)	(197)
Total Comprehensive Income				81,898		(197)	81,701
Dividend				14,000			14,000
Tax On Dividend				2,850			2,850
Transfer to Retained Earnings (II)				65,048			64,851
Adjustment Towards Depreciation - Irrigation Sector (IV)			6,549				6,549
Closing Balance (I+II+III-IV)		0	89,989	4,15,725	0	(197)	5,05,517

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

For and on Behalf of Board of Directors

(Rashmi Sharma)
 Company Secretary
 Membership No. 26692

(Sridhar Patra)
 Director (Finance)
 DIN: 06500954

(D.V. Singh)
 Chairman & Managing Director
 DIN: 03107819

As per our Report of Even Date Attached
 For **P.D. AGRAWAL & CO.**
 Chartered Accountants
 FRN 001049C of ICAI

(Ashish Kumar Agarwal)
 Partner
 Membership No. :- 077178

Date : 31.08.2017
 Place: Rishikesh

Note :-1 PROPERTY PLANT & EQUIPMENT & INTANGIBLE ASSETS

Particulars	Gross Block			Depreciation			Net Block	
	As at 01-Apr-2016	Addition During the Period	Sales / Adjustment During the Period	As at 31-Mar-2017	For the Period 01-Apr-2016 To 31-Mar-2017	Sales / Adjustment During the Period	As at 31-Mar-2017	As at 31-Mar-2017
A. Property Plant & Equipment								
Lease Hold Assets								
1. Land Lease Hold	600	3,305	-	3,905	106	-	196	3,709
Other Assets								
2.Land Free Hold	3,913	-	(100)	3,813	-	-	-	3,813
3. Land Unclassified	1,57,043	3,582	-	1,60,625	5,580	-	48,165	1,12,460
4. Buildings	82,233	1,114	(49)	83,298	2,865	4	17,670	65,628
5. Building Temp. Structures	1,123	30	-	1,153	30	-	1,153	-
6. Road, Bridge & Culverts	13,715	193	-	13,908	489	5	2,749	11,159
7. Drainage, Sewerage & Water Supply	1,500	41	-	1,541	75	-	576	965
8. Construction Plant & Machinery	2,231	3	(120)	2,114	59	(100)	1,234	880
9. Generation Plant & Machinery	2,33,535	71,867	(423)	3,04,979	13,978	(359)	1,00,210	2,04,769
10. EDP Machines	1,355	88	(31)	1,412	102	(6)	950	462
11. Electrical Installations	890	3,276	-	4,166	135	-	428	3,738
12. Transmission Lines	2,404	32	-	2,436	126	-	915	1,521
13. Office & Other Equipment	4,895	406	(8)	5,293	312	(2)	2,252	3,041
14. Furniture & Fixtures	2,104	217	(8)	2,313	146	(6)	928	1,385
15. Vehicles	1,387	49	(29)	1,407	81	(20)	689	718
16. Railway Sidings	122	-	-	122	5	-	37	85
17. Hydraulic Works- Dam & Spillways	5,10,598	4,132	-	5,14,730	28,292	-	2,22,889	2,91,841
18. Hydraulic Works- Tunnel, Penstock, Canals etc	1,39,878	-	-	1,39,878	7,436	-	65,443	74,435
19. Unservisable/ Obsolete Assets at net book value or netrealisable value whichever is lower.	23	-	10	33	-	-	-	33
Sub Total	11,59,549	88,335	(758)	12,47,126	59,817	(484)	4,66,484	7,80,642
Figures For Previous Year	11,46,825	13,111	(387)	11,59,549	56,889	955	4,07,151	7,52,398
B. Intangible Assets								
1. Intangible Assets- Software	393	2	-	395	19	-	350	45
Sub Total	393	2	-	395	19	-	350	45
Figures For Previous Year	376	17	-	393	35	-	331	62
Detail of Depreciation								
Depreciation transferred to EDC						Previous Year		
Depreciation transferred to P&L account						712		
Depreciation adjusted in Capital Reserve- Irrigation Contribution from GOUP						49,663	56,924	
						6,549		
Fixed Assets Costing More Than ₹ 1500.00 But Less Than ₹ 5000.00 Procured and Depreciated Fully During The Year						18		

1.1 The Land measuring 14.37 acres transferred free of cost by Govt. of Uttarakhand for construction of Koteshwar Hydro Electric Project (4x100 MW) to the Company has been accounted for at notional value of ₹1/-.

1.2 Addition of ₹126 lakh has been made in Generation Plant & Machinery due to capitalisation of spare parts meeting the criteria of PP&E as per Ind AS16.

Note:-2
CAPITAL WORK IN PROGRESS & INTANGIBLE ASSETS UNDER DEVELOPMENT

Amount in lac ₹

Particulars	Note No.	As at 01-Apr-2016	For the Period Ended 31-Mar-2017			As at 31-Mar-2017
			Addition During The Period 01-Apr-2016 To 31-Mar-2017	Adjustment During the Period 01-Apr-2016 To 31-Mar-2017	Capitalisation During The Period 01-Apr-2016 To 31-Mar-2017	
A. Construction Work In Progress						
Building & Other Civil Works		5,253	1,712	135	(734)	6,366
Roads, Bridges & Culverts		990	251	-	(180)	1,061
Water Supply, Sewerage & Drainage		47	265	(14)	(23)	275
Generation Plant And Machinery		76,504	22,327	(1)	(384)	98,446
Hydraulic Works, Dam, Spillway, Water Channels, Weirs, Service Gate & Other Hydraulic Works		1,34,850	50,485	(1,689)	(3,862)	1,79,784
Afforestation Catchment Area		901	22	-	-	923
Electrical Installation & Sub-Station Equipments		2,711	608	(22)	(3,260)	37
Others		3,058	71,472	-	(74,427)	103
Expenditure Pending Allocation						
Survey & Development Expenses		9,794	1	-	(23)	9,772
Expenditure During Construction	26.1	854	2,370	(854)		2,370
Rehabilitation						
Rehabilitation Expenses (Net Of Recoveries Towards Token Cost And Rent)		4,104	810	(48)	(507)	4,359
Total		2,39,066	1,50,323	(2,493)	(83,400)	3,03,496
Previous Year Figure		1,67,420	81,874	(2,141)	(8,087)	2,39,066
B. InTangible Assets Under Development						
Intangible asset Under Development		33	0	0	0	33
Sub Total		33	0	0	0	33
Previous Year Figure		33	0	0	0	33

Note:-3

LONG TERM LOANS AND ADVANCES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Loans To Employees							
Secured		2,690		2,755		2,803	
Unsecured		1,072		1,521		1,631	
Interest Accrued On Loans To Employees							
Secured		2,580		2,354		2,238	
Un secured		232		248		184	
Total Loans to Employees		6,574		6,878		6,856	
Less: Fair valuation Adjustment		1,881	4,693	2,177	4,701	2,118	4,738
Loans To Directors							
Secured		0		0		1	
Unsecured		0		0		0	
Interest Accrued On Loans To Directors							
Secured		1		1		3	
Unsecured		0		0		0	
Total Loans to Directors		1		1		4	
Less: Fair valuation Adjustment		0	1	0	1	1	3
Other Advances (Un Secured) (Advances Recoverable In Cash or In Kind or For Value To Be Received)							
To Employees		0		0		0	
To Others		0	0	0	0	0	0
Deposits							
Other Deposit		0	0	0	0	0	0
SUB-TOTAL			4,694		4,702		4,741
LESS:- Provision For Bad & Doubtful Advances			0		0		0
SUB TOTAL - ADVANCES			4,694		4,702		4,741
TOTAL LOANS AND ADVANCES			4,694		4,702		4,741
Note :- Due From Directors							
Principal		0		0		1	
Interest		1		2		3	
TOTAL		1		2		4	
Less: Fair Valuation Adjustment		0	1	0	2	1	3
Note :- Due From Officers							
Principal		5		3		4	
Interest		9		5		5	
TOTAL		14		8		9	
Less: Fair Valuation Adjustment		2	12	2	6	3	6

Note:- 4
OTHER NON CURRENT FINANCIAL ASSETS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Others							
Deferred Employee Cost due to Fair Valuation			1,881		2,177		2,119
TOTAL			1,881		2,177		2,119

Note:- 5
DEFERRED TAX ASSET

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Deferred Tax Liability		(2,975)		(2,975)		(2,975)	
Deferred Tax Asset		80,229	77,254	71,943	68,968	55,083	52,108
Deferred Tax Adjustment			(6,313)		(6,313)		(6,313)
Total			70,941		62,655		45,795

Note:- 6
OTHER NON CURRENT ASSETS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Prepaid Expenses		40		40		40	
Interest Accrued but not due		0	40	0	40	0	40
Sub Total			40		40		40
Capital Advances							
Unsecured							
i) Against Bank Guarantee		44,532		28,842		17,871	
ii) Rehabilitation & Resettlement (Govt. of Uttarakhand / SLAO)		29,981		18,947		6,626	
iii) Others		29,790		26,281		20,214	
iv) Accrued Interest On Advances		63	1,04,366	67	74,137	179	44,890
Less: Provision for Doubtful Advances			12,492		12,355		12,576
SUB TOTAL - CAPITAL ADVANCES			91,874		61,782		32,314
Other Advances (Un Secured)							
TOTAL			91,914		61,822		32,354

Note:- 7
INVENTORIES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Inventories (At Cost Determined On Weighted Average Basis or Net Realizable Value Whichever is Lower)							
Other Civil And Building Material		297		388		722	
Mechanical and Electrical Stores & Spares		2,772		2,579		2,457	
Others (including Stores & Spares)		217		229		300	
Material Under Inspection (Valued At Cost)		0	3,286	40	3,236	0	3,479
Less: Provision For other stores			22		46		311
TOTAL			3,264		3,190		3,168

7.1 Mechanical and Electrical Store & Spare of ₹126 lakh has been capitalised as PP&E as they meet the criteria of PP&E as per Ind AS16.

Note:- 8
TRADE RECEIVABLES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
(i) Debts Outstanding Over Six Months (Net)							
Unsecured, Considered Good		1,02,886		1,25,259		2,35,575	
Considered Doubtful		20,776	1,23,662	20,774	1,46,033	0	2,35,575
Less:- Provision For Bad And Doubtful Debts			20,776		20,774		0
(ii) Other Debts (Net)							
Unsecured, Considered Good		40,199		70,269		0	
Considered Doubtful		0	40,199	1,882	72,151	0	0
Less:- Provision For Bad And Doubtful Debts			0		1,882		0
(iii) Regulatory Asset Debtors (Net)							
Unsecured, Considered Good		30,143		11,670		3,144	
Considered Doubtful		2,201	32,344	2,201	13,871	0	3,144
Less:- Provision For Bad And Doubtful Debts			2,201		2,201		0
TOTAL			1,73,228		2,07,198		2,38,719

8.1 Trade Receivable includes Net Regulatory Asset Debtors of ₹32344 Lacs (Regulatory Assets ₹61866 Lacs and Regulatory Liabilities ₹29522 Lacs) [P.Y. ₹13871 Lacs (Regulatory Assets ₹46125 Lacs and Regulatory Liabilities ₹32254 Lacs)]



Note:- 9
CASH AND BANK BALANCES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Cash & Cash Equivalents							
Balances With Banks (Including Auto sweep, Flexi Deposit with Banks)			6,700		7,553		4,095
Cheques, Drafts, Stamps on hand			7		1		0
Cash on Hand			0		4		3
TOTAL			6,707		7,558		4,098

Note:- 10
OTHER BANK BALANCES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Other Bank Balances							
Others (Balance with Bank under Lien not available for use by the company)			25,037		37		37
TOTAL			25,037		37		37

Note:- 11
SHORT TERM LOANS AND ADVANCES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Loans To Employees							
Secured		774		766		742	
Unsecured		315		276		241	
Interest Accrued On Loans To Employees							
Secured		138		199		156	
Un secured		1		1		3	
Total loan to Employees		1,228		1,242		1,142	
Less: Fair valuation Adjustment		178	1,050	204	1,038	186	956
Loans To Directors							
Secured		0		1		3	
Unsecured		0		0		0	
Interest Accrued On Loans To Directors							
Secured		0		1		0	
Unsecured		0		0		0	
Total loan to Directors		0		2		3	
Less: Fair valuation Adjustment		0	0	0	2	0	3
Others							
Unsecured, considered good		2	2	2	2	0	0
Other Advances (Un Secured) (Advances Recoverable In Cash or In Kind or For Value To Be Received)							
To Employees		273		299		300	
To Others		35	308	35	334	35	335
Deposits							
Security Deposit		412		367		356	
Deposit with Govt/Court		2,534		2,684		2,493	
Other Deposit		7	2,953	2	3,053	1	2,850
SUB-TOTAL			4,313		4,429		4,144
LESS:- Provision For Bad & Doubtful Advances			8		8		8
TOTAL ADVANCES			4,305		4,421		4,136
TOTAL LOANS AND ADVANCES			4,305		4,421		4,136
Note :- Due From Directors							
Principal		0		1		3	
Interest		0		2		1	
TOTAL		0		3		4	
Less: fair Valuation Adjustment		0	0	0	3	0	4
Note :- Due From Officers							
Principal		1		1		2	
Interest		1		1		1	
TOTAL		2		2		3	
Less: fair Valuation Adjustment		0	2	1	1	1	2

Note:- 12
OTHER CURRENT FINANCIAL ASSETS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Others							
Deferred Employee Cost due to Fair Valuation			179		204		186
TOTAL			179		204		186

Note:- 13
CURRENT TAX ASSETS (NET)

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Tax Deposited			8,107		4,039		2,446
TOTAL			8,107		4,039		2,446

Note:- 14
OTHER CURRENT ASSETS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Prepaid Expenses			3,027		2,209		1,863
Interest Accrued			22		27		15
SUB-TOTAL			3,049		2,236		1,878
Other Advances (Un Secured)							
To Employees			7		14		27
For Purchases			1,591		1,443		1,178
To Others			1,675		1,880		1,745
SUB TOTAL -OTHER ADVANCES			3,273		3,337		2,950
TOTAL			6,322		5,573		4,828

**Note:-15
SHARE CAPITAL**

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
		Number of Shares	Amount	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	4,00,00,000	4,00,000.00
Issued Subscribed & Paid-up		3,59,88,817	3,59,888	3,55,88,817	3,55,888	3,52,88,817	3,52,888
Equity Shares of ₹ 1000 / = each Fully Paid up							
TOTAL		3,59,88,817	3,59,888	3,55,88,817	3,55,888	3,52,88,817	3,52,888

During the year, the Company has paid final dividend of ₹16200 lakh for the FY 2015-16 @ ₹45.52 (P.Y. ₹ 39.67) per equity share of par value ₹ 1000/- each.

The Company has paid Interim Dividend of ₹ 14189 lacs during the year for the F.Y. 2016-17 and the Board of Directors of the Company have proposed a final dividend of ₹ 7911 lakh for the F.Y. 2016-17. Thus the total Dividend for the F.Y. 2016-17 comes to ₹ 22100 lakh @ ₹ 61.41 (P.Y. @ ₹ 45.52) per equity share of par value ₹ 1000/- each.

Note:- 15.1
DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
		Number of Shares	%	Number of Shares	%	Number of Shares	%
Share holding more than 5 %							
I. GOI		2,66,39,417	74.02	2,62,39,417	73.73	2,59,39,417	73.51
II. GOUP		93,49,400	25.98	93,49,400	26.27	93,49,400	26.49
TOTAL		3,59,88,817	100	3,55,88,817	100	3,52,88,817	100

Note:- 15.2
RECONCILIATION OF NO. OF SHARES & SHARE CAPITAL OUTSTANDING

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
		Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Opening		3,55,88,817	3,55,888	3,52,88,817	3,52,888	3,47,30,917	3,47,309
Issued		4,00,000	4,000	3,00,000	3,000	5,57,900	5,579
Closing		3,59,88,817	3,59,888	3,55,88,817	3,55,888	3,52,88,817	3,52,888

Note:- 16
LONG TERM BORROWINGS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
A. BONDS				
BOND ISSUE SERIES-I- SECURED* (7.59% p.a. 10 Years Secured Redeemable Non- Convertible Bonds of ₹ 1000000/- each). (Date of redemption 03.10.2026)		60,000	0	0
TOTAL (A)		60,000	0	0
B. SECURED				
POWER FINANCE CORPORATION Ltd. (PFC)-78302003 (For Tehri HPP) ** (Repayable within 15 years on Quarterly instalment from 15th october 2008 to 15th July 2023, presently carrying floating interest rate @12.50%)		49,653	58,681	67,708
POWER FINANCE CORPORATION Ltd. (PFC) -78302002 (For KHEP) # (Repayable within 10 years on Quarterly instalment from 15th January2012 to 15th october 2021, presently carrying floating interest rate @12.50 % p.a.)		43,875	55,575	67,275
Rural Electrification Corporation Ltd. (REC) (For KHEP)# (UA-GE-PSU-033-2010-3754) (Repayable within 10 years on Quarterly instalment from 30th September 2012 to 30 June 2022, carrying floating interest rate ranging from @11.40 to @ 12.25% p.a.)		29,781	36,789	43,796
Rural Electrification Corporation Ltd. (REC)-330001-(For Tehri HPP)* (Repayable within 15 years on Quarterly instalment from September 2007 to March 2022, carrying floating interest rate ranging from @ 11.5% to @ 12.25% p.a.)		38,072	47,840	58,536

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
State Bank of India (SBI)-32677052247 (For Tehri PSP) ## State Bank of India (Repayable within 10 years on Quarterly Installments from August 2016 to May 2026 Prsesently carrying Floating Interest rate @ MCLR rate + 1.2% p.a. i.e. 10.4 %)		1,22,765	1,16,632	73,999
TOTAL (B)		2,84,146	3,15,517	3,11,314
C. UNSECURED				
Foreign currency Loans (Guaranteed by Govt. of India) World Bank Loan -8078-IN (For VPHEP)\$ (repayable within 23 years on half yearly instalment from 15th Nov. 2017 to 15th May 2040 , carrying interest rate @LIBOR +variable spread.p.a. i.e. 1.87%)		60,039	34,275	16,252
TOTAL (C)		60,039	34,275	16,252
TOTAL (A+B+C)		4,04,185	3,49,792	3,27,566

** 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.

* The Bonds are secured by a first/ paripassu first charge on the existing assets of Tehri HPP Stage-I

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

Note:- 17**NON CURRENT FINANCIAL LIABILITIES**

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Liabilities							
For Expenditure							
For Micro And Small Enterprises.		0		0		0	
For Others		0	0	0	0	0	0
Deposits, Retention Money From Contractor etc.		1,154		662		265	
Less: Fair Value Adjustment- Security Deposit/ Retention Money		220	934	164	498	97	168
TOTAL			934		498		168

Note:- 18**OTHER NON CURRENT FINANCIAL LIABILITIES**

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Deferred Fair Valuation Gain- Security Deposit/ Retention Money			220		164		97
TOTAL			220		164		97

Note:- 19**OTHER NON CURRENT LIABILITIES**

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Deferred Revenue On Account of Advance Against Depreciation							
As Per Last Balance Sheet		21,271		21,271		21,271	
Add:-Revenue Deferred During The year		0		0		0	
Less:- Adjusted During The Year		0	21,271	0	21,271	0	21,271
Other Liabilities			0		0		0
TOTAL			21,271		21,271		21,271

Note:- 20
LONG TERM PROVISIONS

Amount in lac ₹
(Figures in Parenthesis Represent Deduction)

Particulars	Note No.	For the Period Ended 31-Mar-2017				
		As at 01-Apr-2016	Addition	Adjustment	Utilisation	As at 31-Mar-2017
I. Employee Related		32,245	6,986	(494)	(82)	38,655
II. Others		488	(108)	0	(65)	315
TOTAL		32,733	6,878	(494)	(147)	38,970
Figure for Previous Year		32,246	9,060	(5,712)	(2,861)	32,733

Disclosure required by AS-15 on employee benefit has been made in Note No 37.15

Note:- 21
SHORT TERM BORROWINGS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Short term Loan From Banks and Financial Institutions							
A. Secured loans:							
Over Draft (OD) From Banks							
Punjab National Bank (Carrying Floating Interest Rate @ Base Rate i.e.9.6%)			38,724		3,677		43,634
TOTAL			38,724		3,677		43,634

* O.D. amounting to ₹38724 Lac is secured by way of 2nd Charge on Block of Assets of Tehri Stage-1 and Koteshwar HEP including machinery spares, tools & accessories, fuel stock, spares & material at project site.

Note:- 22
TRADE PAYABLE

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Trade Payable -MSMED			0		0		0
Trade Payable -Other than MSMED			41		49		72
TOTAL			41		49		72

Note:- 23**OTHER CURRENT FINANCIAL LIABILITIES**

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Current maturity of Long Term Debt							
A.SECURED *			37,503		38,431		43,436
(Indian Currency Loan)							
TOTAL			37,503		38,431		43,436
Liabilities							
For Expenditure							
For Micro And Small Enterprises.		1		37		0	
For Others		19,419	19,420	14,219	14,256	6,167	6,167
Deposits, Retention Money From Contractors etc.		5,232		3,945		3,912	
Less: Fair Value Adjustment- Security Deposit/ Retention Money		0	5,232	0	3,945	0	3,912
Deferred Fair Valuation Gain- Security Deposit/ Retention Money			0		0		0
Interest Accrued But Not Due							
Financial Institutions		6,660		4,744		4,870	
Other Liabilities		0	6,660	0	4,744	0	4,870
TOTAL			31,312		22,945		14,949
TOTAL LIABILITIES			68,815		61,376		58,385

* Detail in respect of Rate of Interest and Terms of repayment of Current Maturity of Secured and unsecured Long Term Debt indicated above are disclosed in Note-16.

Note:- 24**OTHER CURRENT LIABILITIES**

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Liabilities							
Other Liabilities			3,749		3,587		3,360
TOTAL			3,749		3,587		3,360

Note:- 25
SHORT TERM PROVISIONS

Amount in lac ₹
(Figures in Parenthesis Represent Deduction)

Particulars	Note No.	For the Period Ended 31-Mar-2017				As at 31-Mar-2017
		As at 01-Apr-2016	Addition	Adjustment	Utilisation	
I. Works		489	77	(71)	(90)	405
II. Employee Related		8,342	4,946	(249)	(4,531)	8,508
III. Others		11,752	5,009	(14,695)	(632)	1,434
TOTAL		20,583	10,032	(15,015)	(5,253)	10,347
Figure for Previous Year		18,085	16,903	(3,595)	(10,810)	20,583

Disclosure required by AS-15 on Employee Benefits has been made in Note No 37.15

Note:- 26
CURRENT TAX LIABILITIES (NET)

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
INCOME TAX							
Opening Balance			0		2,112		0
Addition during the period			15,156		23,998		11,292
Adjustment during the period			(6,330)		(5,323)		(192)
Utilised during the period			(8,826)		(20,787)		(8,988)
Closing Balance			0		0		2,112

Note :-26.1

EXPENDITURE DURING CONSTRUCTION

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
EXPENDITURE					
EMPLOYEE BENEFITS EXPENSES	29				
Salaries, Wages, Allowances & Benefits		10,917		8,657	
Contribution to Provident & Other Funds		633		557	
Pension Fund		541		435	
Gratuity		1,659		262	
Welfare		134		66	
Amortisation Expenses of Deferred Employee Cost		44	13,928	21	9,998
OTHER EXPENSES	31				
Rent					
Rent for office		72		78	
Rent for Employee Residence		295	367	236	314
Rate and taxes			28		2
Power & Fuel			576		601
Insurance			35		8
Communication			80		120
Repair & Maintenance					
Plant & Machinery		3		2	
Consumption of Stores & Spare Parts		0		0	
Buildings		29		300	
Others		140	172	314	616
Travelling & Conveyance			241		297
Vehicle Hire & Running			358		364
Security			98		228
Publicity & Public relation			46		33
Other General Expenses			929		672
Loss on sale of assets			3		2
Interest on Security deposit/ Retention money on account of Effective Interest Rate		89		19	
DEPRECIATION	1		748		712
TOTAL EXPENDITURE (A)			17,698		13,986
RECEIPTS					
OTHER INCOME	28				
Interest					
From Bank Deposit		5		1	
From Employees		114		102	
Employee Loans & Advances- Adjustment on Account of Effective Interest		44		21	
From Others		3	166	9	133

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
Machine Hire Charges			15		11
Rent Receipts			49		58
Sundry Receipts			50		291
Excess Provision Written Back			22		74
Profit on Sale of Assets			1		0
Fair Value Gain- Security Deposit/ Retention Money			89		19
TOTAL RECEIPTS (B)			392		586
NET EXPENDITURE BEFORE TAXATION			17,306		13,400
PROVISION FOR TAXATION	33				
NET EXPENDITURE INCLUDING TAXATION			17,306		13,400
Change in Accounting policy and Prior Period Items	35		(73)		1
Actuarial Gain/ (Loss) through OCI	34		(131)		(122)
Balance Brought Forward From Last Year			854		2,105
TOTAL EDC			18,218		15,628
Less:-					
EDC Allocated To CWIP / Asset		15,358		14,045	
EDC Of Projects Under Approval Charged To Profit & Loss Account		490	15,848	729	14,774
Balance Carried Forward To CWIP			2,370		854

Note :-27**REVENUE FROM OPERATIONS**

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
Income from Beneficiaries against Sale of Power		2,07,903		2,45,083	
Less :					
Advance Against Depreciation- Deferred		0	2,07,903	0	2,45,083
Deviation Settlement/ Congestion Charges			1,419		1,481
Consultancy Income			152		85
TOTAL			2,09,474		2,46,649

27.1 The company has received orders from the Hon'ble CERC dated 20.03.2017 (2009-14 Truing up order) and dated 29.03.2017 (2014-19 Tariff order) for Tehri HEP . Based on AFC allowed by CERC, revenue for the current financial year 2016-17 has been recognized.

Impact of the said orders for the past years amounting to (-) ₹ 16147 Lakh has been accounted for during the current financial year as extraordinary/ exceptional items.

Sales revenue for Koteshwar HPP has been recognized based on AFC claimed in the tariff petition as submitted before CERC pending receipt of order from CERC following significant accounting policy.

Sales revenue of ₹ 2328.41 Lakhs as per power supplied from two newly commissioned (50 MW + 63 MW) wind power project has also been recognized as sales during the current financial year.

Note :-28**OTHER INCOME**

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
Interest					
On Bank Deposits (Includes TDS ₹ 10087.00 Previous year ₹ 3494.00)		255		55	
From Employees		395		412	
Employee Loans & Advances- Adjustment on Account of Effective Interest		426		172	
Others		326	1,402	32	671
Machine Hire Charges			15		13
Rent Receipts			117		141
Sundry Receipts			569		698
Excess Provision Written Back			12,297		469
Profit on Sale of Assets			7		42
Fair Value Gain- Security Deposit/ Retention Money			108		33
TOTAL			14,515		2,067
Less :					
Transferred To EDC	26.1		392		586
TOTAL			14,123		1,481

28.1 Excess Provision withdrawn includes provision related to water tax and green energy cess of ₹ 9977 Lakhs.

Note :-29
EMPLOYEE BENEFITS EXPENSES

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
Salaries, Wages, Allowances & Benefits			31,506		27,236
Contribution to Provident & Other Funds			2,056		1,682
Pension Fund			1,770		1,460
Gratuity			3,100		1,777
Welfare Expense			495		528
Amortisation Expenses of Deferred Employee Cost			426		172
TOTAL			39,353		32,855
Less :					
Transferred To EDC	26.1		13,928		9,998
TOTAL			25,425		22,857

Note :-30
FINANCE COSTS

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
Finance Costs					
Interest On Bond Issue Series-I			2,246		0
Interest On Loans			40,358		45,003
TOTAL			42,604		45,003
LESS:-					
Transferred And Capitalised With CWIP Account			13,498		12,116
TOTAL			29,106		32,887

Note :-31

GENERATION ADMINISTRATION AND OTHER EXPENSES

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
Rent					
Rent for office		174		163	
Rent for Employees Residence		698	872	699	862
Rate and taxes			187		141
Power & Fuel			1,745		1,573
Insurance			2,056		2,240
Communication			363		369
Repair & Maintenance					
Plant & Machinery		1,529		1,540	
Consumption of Stores & Spare Parts		519		800	
Buildings		1,105		1,096	
Others		2,265	5,418	2,422	5,858
Travelling & Conveyance			632		999
Vehicle Hire & Running			1,211		1,024
Security			3,264		2,824
Publicity & Public relation			303		298
Other General Expenses			3,383		2,253
Loss on sale of assets			72		25
Survey And Investigation Expenses			490		729
Research & Development			434		345
Expenses on Consultancy Project/ Contract			84		30
Expenditure On CSR & S.D. Activities			1,528		1,335
Rebate to Customers			385		341
Interest on Security deposit/ Retention money on account of Effective Interest Rate			108		33
TOTAL			22,535		21,279
LESS:-					
Transferred To EDC	26.1		3,022		3,276
TOTAL			19,513		18,003

Note :-32
PROVISIONS

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
Provisions For Doubtful Debts, Loans & Advances			443		6
Provisions For Stores & Spares			2		3
TOTAL			445		9
LESS:-					
Transferred To EDC	26.1		0		0
TOTAL			445		9

Note :-33
PROVISION FOR TAXATION

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
INCOME TAX					
Current Year			17,154		24,252
Sub Total			17,154		24,252
TOTAL			17,154		24,252
WEALTH TAX					
Current Year			0		0
Sub Total			0		0
LESS:-					
Transferred To EDC	26.1		0		0
TOTAL			0		0

Note :-34
ACTUARIAL GAIN/ (LOSS) THROUGH OCI

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
Actuarial Gain/ (Loss) through OCI			(545)		(423)
Sub Total			(545)		(423)
LESS:-					
Transferred To EDC	26.1		(131)		(122)
TOTAL			(414)		(301)

Note :-35

CHANGES IN ACCOUNTING POLICY AND PRIOR PERIOD ITEMS

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
PRIOR PERIOD INCOME					
Misc Receipt		3	3	6	6
PRIOR PERIOD EXPENDITURE					
Repair and Maintenance		(215)		12	
Depreciation		28		1,058	
Rent Rate & Taxes		0		2	
Misc- Others		0	(187)	0	1,072
Sub Total			(190)		1,066
LESS:-					
Transferred To EDC	26.1		(73)		1
TOTAL			(117)		1,065

36. The Ind AS as notified by MCA have been complied with as under:

Ind AS No	NOMENCLATURE	DESCRIPTION
Ind AS 1	Presentation of Financial Statements	<ul style="list-style-type: none"> Financial statements have been prepared following Ind AS compliant Schedule – III All information including Significant Accounting Policies, basis adopted for preparation of financial statement have been disclosed. Information not presented elsewhere but relevant for understanding the financial statements have also been disclosed.
Ind AS 2	Inventories	The company is engaged in generation and sale of renewable power inclusive of hydro, wind and solar, Thus it does not have any raw material or WIP. However construction stores, spare parts and consumables held for construction activity / supply and consumption in course of generation process is valued at cost determined on weighted average basis or net realizable value whichever is lower.
Ind AS 7	Statement of Cash Flow	Cash Flow Statement is being prepared as an integral part of the financial statements using Indirect method as defined in para 18(b) of Ind AS 7 as disclosed in Significant Accounting Policy No 20.

Ind AS No	NOMENCLATURE	DESCRIPTION
Ind AS 8	Accounting Policies, Changes in Accounting Estimates & Errors	<ul style="list-style-type: none"> Impact owing to changes in Accounting Policies and errors are recognized with retrospective effect except circumstances where it is impracticable. Impact due to change in estimate is accounted for prospectively. Exceptional items/ Expenditure and prior Period Items (Income / Expenditure) have been disclosed in the statement of changes in equity and its related notes.
Ind AS 10	Events after Reporting Period	<p>There are no such major reportable events occurring after Balance Sheet date.</p> <p>Dividend has been accounted for in accordance with Ind AS 10 in the year of payment.</p>
Ind AS 11	Construction Contracts	The company is neither into construction business nor has undertaken any construction contracts during the reporting period. Thus the standard is not applicable.
Ind AS 12	Income Taxes	<ul style="list-style-type: none"> Deferred Tax has been calculated as per Balance Sheet Approach in compliance with Ind AS provisions. During the year 2016-17 Deferred Tax Assets of ₹ 8286 Lakh has been accounted for.
Ind AS 16	Property, Plant & Equipment	<ul style="list-style-type: none"> The company has availed exemption as allowed under Ind AS101. Carrying value of the assets constituting Property, Plant & Equipment on the date of transition to Ind AS has been considered as fair value assuming the same as deemed carrying cost in compliance with Ind AS101.
Ind AS 17	Leases	<ul style="list-style-type: none"> The company does not have any assets constituting financial lease. Operating lease transactions have been disclosed and treated as expenses.

Ind AS No	NOMENCLATURE	DESCRIPTION
Ind AS 18	Revenue	The company has been recognizing sales revenue on the basis of final tariff allowed by CERC and AFC (Annual Fixed Cost) determined as per prevailing tariff regulations pending final tariff order issued by the CERC. Significant accounting policy No 13.1 to 13.9 explain revenue recognition mechanism as followed by the company.
Ind AS 19	Employee Benefits	<ul style="list-style-type: none"> The Company has been contributing towards CPF (Contributory Provident Fund) and Superannuation Pension Fund under Defined Contribution Plan. In addition to above, the Company has also been paying towards Gratuity/ Earned Leave/PRMB (Post Retirement Medical Benefits)/ Post Retirement Baggage Allowance under Defined Benefit Plan. Actuarial valuation of the employee benefits have been made and accounted for in accordance with provisions of Ind AS19.
Ind AS 20	Accounting for Government Grants and Disclosure of Government Assistance	Amount as received from the GoUP towards Irrigation Component has been recognized in the books in accordance with Ind AS 20. Details have been disclosed vide Significant Accounting Policy No 11
Ind AS 21	The Effects of Changes in Foreign Exchange Rates	Accounting Policies relating to foreign exchange transactions have been disclosed vide Significant Accounting Policy No. 6.1 to 6.3
Ind AS 23	Borrowing Cost	The Company has been capitalizing the borrowing cost on long term assets as permitted under the Ind AS 23. Details explained vide Significant Accounting Policy Nos. 16.1 and 16.2
Ind AS 24	Related Party Disclosure	Payment to SEWA-THDC for undertaking CSR activities and remuneration to Directors have been disclosed in accordance with Ind AS 24.
Ind AS 27	Separate Financial Statements	The Company does not have any Holding / Subsidiary company. Hence not applicable.

Ind AS No	NOMENCLATURE	DESCRIPTION
Ind AS 28	Investment in Associates & Joint Ventures	The Company does not have any investment in Associate / JV Companies. Hence not applicable.
Ind AS 29	Financial Reporting in Hyperinflationary Economics	Not applicable
Ind AS 32	Financial Instruments Presentation	<ul style="list-style-type: none"> All the assets and liabilities have been segregated into financial and non financial. Financial assets and financial liabilities have been measured at amortised cost. Wherever applicable, the financial assets and liabilities have been fair valued using the effective interest rate. Fair value gain/losses have been amortised over the assets' life.
Ind AS 33	Earnings per Share	Company has not issued potential Equity Share. Hence both the Basic and Diluted EPS remains same and suitable disclosure made in the Statement of Profit & Loss.
Ind AS 34	Interim Financial Reporting	The Company has raised funds through private placement basis and listed with stock exchange. As per LODR, half yearly interim financial statements are to be prepared. However as a good governance, THDCIL has been preparing quarterly interim financial statements.
Ind AS 36	Impairment of Assets	No impairment of asset has been carried out during the year.
Ind AS 37	Provisions, Contingent Liabilities and Assets	<p>Suitable liabilities have been provided based on management estimates, certainty of cash outflow and probability of occurring of the events.</p> <p>In other cases contingent liabilities has been disclosed.</p> <p>No contingent asset has arisen during the year.</p>

Ind AS No	NOMENCLATURE	DESCRIPTION
Ind AS 38	Intangible Assets	Company has been recognizing the cost of computer application softwares as intangible assets and cost is being amortised over its useful life as explained in the Significant Accounting Policy No.5.1 to 5.4
Ind AS 40	Investment Property	The Company does not have any asset meeting the criteria of Investment Property. Hence the standard is not applicable.
Ind AS 41	Agriculture	Not applicable.
Ind AS 101	First time Adoption of Indian Accounting Standards	<ul style="list-style-type: none"> • The financial statements have been prepared following the principles and guidelines prescribed under Ind AS 101. • The Company has opted to avail the following exemptions (for not giving retrospective effect) which are available under Ind AS 101. <ul style="list-style-type: none"> a. Classification and measurement of financial assets b. Impairment of financial assets. c. Estimates d. Deemed Cost e. Designation of previously recognized financial instruments. f. Fair value measurement of financial assets and financial liabilities at initial recognition. g. Decommissioning liabilities included in the cost of Property, Plant & Equipment. h. Borrowing Cost
Ind AS 102	Share Based Payments	Not applicable
Ind AS 103	Business Combinations	Not applicable

Ind AS No	NOMENCLATURE	DESCRIPTION
Ind AS 104	Insurance Contracts	Not applicable
Ind AS 105	Non Current Assets Held for Sale and Discontinued Operations	No operation / activities have been discontinued during the year. Thus no disclosure is required .
Ind AS 106	Exploration for and Evaluation of Mineral Resources	Not applicable.
Ind AS 107	Financial Instruments Disclosure	Information as prescribed has been disclosed suitably.
Ind AS 108	Operating Segments	The company is mainly engaged in generation and sale of hydro power constituting almost 98 % of the total sales revenue. The company has recently moved into wind energy. The same does not meet the criteria prescribed under para 13 of the Ind AS 108. Hence the financial statements have been prepared as a single segment.
Ind AS 109	Financial Instruments	Financial assets and financial liabilities have been measured at amortised cost as both the financial assets and financial liabilities meet the criteria prescribed under the standard. Details have been explained in the Significant Accounting Policy No. 8 & 10
Ind AS 110	Consolidated Financial Statements	Not applicable
Ind AS 111	Joint Agreements	Not applicable
Ind AS 112	Disclosure of Interest in Other Entities	Not applicable

Ind AS No	NOMENCLATURE	DESCRIPTION
Ind AS 113	Fair Value Measurement	The Company has adopted fair value measurement of all financial assets and financial liabilities using the criteria prescribed under the Ind AS as explained in the Significant Accounting Policy 7.1 to 7.4
Ind AS 114	Regulatory Deferral Accounts	As permitted under Ind AS 114 , the Company has been continuing the previous GAAP rate regulated accounting policies . Details have been explained in the Significant Accounting Policy No. 22.1

NOTE NO. 37 OTHER EXPLANATORY NOTES ON ACCOUNTS:

1. Transition to Ind-AS:

These are the company's first set of financial statements which have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the company had prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for the year ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at April 01, 2015, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016.

A. Exemptions and exceptions availed :- Set out below are the applicable Ind AS 101 exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Optional Exemptions:

a) Deemed cost for Property, Plant and Equipment, Investment property and Intangible Assets :

Since there is no change in functional currency, the company (INR is the functional currency) has availed exemption under paragraph D7AA of appendix C to Ind AS 101 which permits a first time adopter to continue with the carrying value of its Property, Plant & Equipment and Intangible Assets as at the date of transition to Ind AS measured at their previous GAAP carrying value.

b) Long term foreign currency monetary items : Paragraph D13AA of appendix C to Ind AS 101 permits a first time adopter to continue the policy adopted for exchange differences arising from translation of long term foreign currency monetary items recognized in the financial statements for the period ended immediately before the first Ind AS financial reporting period as per previous GAAP. The Company has availed the exemption under paragraph D13AA and has continued to apply the accounting policy earlier adopted for accounting of exchange differences arising on restatement of long term foreign currency monetary items recognized till 31.03.2016.

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The Following table represent the reconciliation's from previous GAAP to Ind AS.

1. Reconciliation of total equity between Ind AS and previous Indian GAAP for earlier periods and as at 31st March,2016

(₹ Lakh)

Sr. No.	Nature of Adjustments	Note	Other Equity	
			As at 31 Mar-2016	As at 01.04.2015
	Total Equity as per Previous Indian GAAP		841,686	783,831
1	Change in accounting Policy & Prior Period Items & Others	III	-1065	-
2	Fair Valuation for Financial Assets	I	799	-
3	Deferred Tax	II	487	-
4.	Dividend (net of DDT)	IV	19,498	16,850
	Total		861,405	800,681
	Total Equity as per Ind AS		861,405	800,681

2. Reconciliation of total profit between Ind AS and previous Indian GAAP for the year ended as at 31st March, 2016

(₹ Lakh)

Sr. No.	Nature of Adjustments	Note	Profit reconciliation
			Year Ended 31 Mar-16
	Net Profit(PAT) / Other Equity as per Previous Indian GAAP		80,902
1	Change in accounting Policy & Prior Period Items & Others	III	1,065
2	Fair Valuation for Financial Assets	I	315
3	Deferred Tax	II	-104
4	Others	V	-280
	Total		81,898
	Net profit (PAT) before OCI / Other Equity as per Ind AS		81,898

1. Reconciliation of Cash flow statement between Ind AS and previous Indian GAAP for year ended 31st March,2016

(₹ Lakh)

Sr. No.	Nature of Adjustments	Note	Cash & Cash Equivalents reconciliation
			Year ended 31-Mar-16
	Cash & Cash Equivalents as per Balance Sheet		7595
1	Overdraft balance	VI	(3677)
	Total		3918
	Cash & Cash Equivalents as per Cash Flow statement as per Ind AS		3918

Notes to reconciliation on first time adoption

Major differences impacting such change of accounting policy are in the following areas :

- I. Fair valuation for Financial Assets:** The Company has valued financial assets and Financial Liabilities at fair value based on the effective interest rate. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognized in Profit and Loss Account or Other Comprehensive Income, as the case may be.
- II. Deferred Tax:** The impact of transition adjustments together with Ind-AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Profit and Loss Account for the subsequent periods.
- III. Prior period items :** As a requirement of Ind AS-8, it is mandated to not to book any prior year expense into current year items. The same are to be adjusted through prior year reserves. The impact of the same is also adjusted through reserves in the year 2016.
- IV. Events after the reporting period- Dividend Accounting :** As a requirement of Ind AS -10, the dividends which are provided for based on management decision are not to be accounted in the current year as the same are not yet approved by the year end. Those are to be now only disclosed in the Notes wherein the previous year dividends which are paid in the current year are to be accounted for. The impact of the same is also adjusted in the year 2016.
- V. Others: Other adjustments primarily comprise of :**
 - a. Attributing time value of money to Assets Retirement Obligation: Under Ind-AS, such obligation is recognised and measured at present value. Under previous Indian GAAP it was recorded at cost. The impact for the periods subsequent to the date of transition is reflected in the Profit and Loss Account.
 - b. Other changes are majorly on account of re-grouping and other adjustments to comply with the requirements of Ind AS compliant schedule III.
- VI. Impact of Ind AS adoption on the cash flows for the year ended March,31, 2016:** Under the previous GAAP, all Bank Balances were part of Cash & Cash equivalents. However under Ind AS overdraft Balances are to be considered as a part of cash and cash equivalents and hence there shall

be a difference between the cash and cash equivalents reported in the balance sheet and the cash flow statements and the same are reported accordingly.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 253459 Lakh (Previous year ₹ 289750 Lakh and as at 01.04.2015 ₹ 336836 Lakh).

3. CONTINGENT LIABILITIES -

(₹ Lakh)

	2016-17	2015-16	01.04.2015
(i) Claims against the Company, not Acknowledged as debts: Arbitration /Court cases			
Principal			
Govt./CPSE	49925	28701	2421
Others	101587	103551	104423
(A)	151512	132252	106844
Interest			
Govt./CPSE	10365	11990	218
Others	161304	147716	96070
(B)	171669	159706	96288
Grand Total:	(A+B) 323181	291958	203132
(a) Bank Guarantee Given by company	25470	371	371
(b) Decreed against the Company in different Arbitration/ Labour court /District Court Cases and deposited by the Company but disputed in appeals.	351	351	351
(ii) Disputed Income Tax, Trade Tax, Commercial Tax, Entry tax etc includes ₹ 173 Lakh (Previous Year ₹ 323 Lakh and as at 01.04.15 ₹ 173 Lakh) deposited by Company but disputed in appeal	639	572	186
(iii) Others - (Contractors claims etc.)	115	411	232

4. Company has been receiving FDRs/ CDRs with right to present before bank / financial institutions for claiming face value only against EMD/ SD. The company has FDRs/ CDRs amounting to ₹ 141 Lakh and ₹ 1033 Lakh. (Previous Year ₹ 69 Lakh and ₹ 1184 and as at 01.04.2015 ₹ 36 Lakh and ₹ 1203) towards EMD and security deposit respectively besides this deposits money from contractors amounting to ₹ 6386 Lakh (Previous Year ₹ 4607 Lakh and as at 01.04.2015 ₹ 4177 Lakh) as disclosed in Note 17 & Note 23. The same have been fair valued on the basis of effective interest rate and accounted well.

5. The amount of borrowing cost capitalized during the year is ₹ 13498 Lakh (P.Y. ₹ 12116 Lakh) after adjustment of an amount of ₹ 10 Lakh (P.Y. ₹ 4 Lakh) towards interest earned on short term deposit of surplus borrowed funds during the year.
6. (i) 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 at Koteshwar. 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.
- (ii) Initially land was acquired by the then UP Irrigation Dept. and land records were in the name of Tehri Dam. Subsequent to formation of the Tehri Hydro Development Corporation of India Ltd, land was acquired in the name of the company. Consequent upon change in the name of the company as THDC India Ltd, process of converting all the land records in the present name of the company is under process. Out of total land of 2547.83 Hac. (P.Y. 2497.53 Hac.) acquired by the company, title has been changed in the present name of the company for 1937.30 Hac. Change of title for the balance land of 610.35 Hac is under process.
- (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, Gol 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.
7. 27 Flats (Previous Year 28 Flats, and as at 01.04.2015 30 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.
8. a. THDCIL has executed loan agreement with SBI led consortium to avail long term loan of ₹1,50,000 Lakh for funding its ongoing Tehri PSP. The project was scheduled for commissioning by February 2016. Completion of the project has been rescheduled and efforts made to expedite completion at the earliest possible time. As per terms of the original loan agreement entire loan amount was scheduled to be drawn by February 2016 and repayment was scheduled to commence from August 2016. As the entire sanctioned amount has not been drawn and commissioning period has also been rescheduled, THDCIL has requested to the lending institutions seeking formal confirmation for extending the disbursement period upto February 2018 and accordingly repayment schedule. Considering request

of THDCIL funds have also been released by the lender. Pending receipt of formal communication entire loan drawl amount has been recognized as long term borrowings as no repayment has become due.

- b. The financial agreement as executed with the World Bank to avail US\$ 648 Million for funding ongoing VPHEP (Vishnugad Pipalkoti Hydro Electric Project) bears loan disbursement schedule as 2012 to 2017. Till date THDCIL has withdrawn US\$ 92.6 Million as on 31st March 2017. Due to slow progress of the project the disbursement schedule needs to be extended upto 2020 (i.e 2012 to 2020).

The said agreement bears repayment by way of 46 half yearly equated installment, first installment being payable from November 2017. Consequent upon extension of disbursement schedule, deferment of repayment till Nov 2020 is required.

THDCIL has requested to the World Bank for extending the disbursement schedule and deferment of the repayment schedule as stated above. The matter was also appraised during visit of the World Bank team to the project. Pending receipt of formal communication, entire loan drawl amount has been considered as long term borrowings.

- c. Company has raised Corporate Bonds on private placement basis of ₹ 60000 Lakh. The unspent amount of ₹ 25037 Lakh have been set aside in a separate bank account.

9. Related Parties Disclosures :

'Related Party Disclosures' as required by Ind AS-24 is given as under:

a) List of Related Parties:

i) Key Managerial Personnel:

1. Shri R. S. T. Sai*	Chairman & Managing Director
2. Shri D. V. Singh**	Chairman & Managing Director
3. Shri D. V. Singh*	Director (Technical)
3. Shri S. K. Biswas	Director (Personnel)
4. Shri. Sridhar Patra	Director (Finance)
5. Shri S.Q.Ahmed	Company Secretary
6. Ms. Rashmi Sharma#	Company Secretary

ii) Others

(*) up to 30.11.2016

(**) w.e.f.01.12.2016

(#) w.e.f. 27.04.2017

SEWA-THDC, a Company Sponsored Non Profit making Society, registered under Societies Act 1860, to undertake THDCIL's CSR obligation U/s 135 of Companies Act 2013.

- b) Summary of transactions with related parties (other than for contractual obligations) – ₹ 1528 Lakh disbursed to SEWA-THDC for CSR activities
- c) Remuneration and allowances, other benefits and expenses to key managerial personnel including Independent director's fees & expenses are ₹ 246 Lakh (PY ₹ 273 Lakh).
- 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:

Net profit after tax used as numerator (₹ In Lakh)	₹ 71123	₹ 81701
Weighted average no. of equity shares used as denominator	Basic : 35767611.74 Diluted : 35767611.74	Basic : 35442531.17 Diluted: 35442531.17
Earning per share ₹ Basic Diluted	₹ 198.85 ₹ 198.85	₹ 230.52 ₹ 230.52
Face Value per share ₹	₹ 1000	₹ 1000

11. In compliance to the Ind AS 12 “Income Taxes” issued by the Institute of Chartered Accountants of India, The net increase in the deferred tax assets of ₹ 8286 Lakh (Previous Year ₹ 16860 Lakh and as at 01.04.2015 ₹ 13686 Lakh) has been booked to Statement of Profit & Loss. 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 Lakh)

S. No		31.03.2017	31.03.2016	01.04.2015
Deferred Tax Assets (A)				
i)	Difference of Book Depreciation and Tax Depreciation	51988	44693	37216
ii)	Opening Ind As adjustment	487	487	
iii)	Act.Gain/loss classified to OCI	143		
iv)	Advance against Depreciation to be considered as income in tax computation	6837	6837	6837
v)	Provision for Doubtful Debts & Stores	12453	13064	4460
vi)	Provision for employee benefit schemes	8321	6862	6570
Total Deferred Tax Assets (A)		80229	71943	55083
Deferred Tax Liability (B)				
i)	Difference of Book Depreciation and Tax Depreciation	3572	3572	3572
ii)	Advance against Depreciation to be considered as income in tax computation	-472	-472	-472
iii)	Provision for Doubtful Debts & Stores	-1	-1	-1
iv)	Provision for employee benefit schemes	-124	-124	-124
Total Deferred Tax Liability(B)		2975	2975	2975
Net Deferred Tax (Liability)/Assets(A)-(B)		77254	68968	52108

12. (i) Disclosure related to Corporate Social Responsibility (CSR)

a. The breakup of CSR expenditure incurred through SEWA-THDC, a Company Sponsored Non Profit making Society, registered under Societies Act 1860, to undertake THDCIL's CSR obligation U/s 135 of Companies Act 2013.

SI.No.	Heads of Expenses constituting CSR expenses	₹ in Lakh
01	Sanitation, Health Care & Drinking Water	166
02	Education & Skill Development	633
03	Social Welfare	15
04	Forest & Environment, animal welfare etc.	153
05	Art & Culture, Public libraries	31
06	Rural Development Projects	495
07	Others	42
	Total	1535

**Expenditure incurred by SEWA out of THDCIL's contribution of ₹ 1528 Lakh and interest income earned during the year amounting to ₹ 7 Lakh

b. The company has incurred an amount of ₹ 1528 Lakh (PY ₹ 1335 Lakh) towards CSR expenditure during the current financial year 2016-17 as against Rs.1528 Lakh (PY ₹ 1335 Lakh) calculated as per prescribed limit equivalent to 2% of average net profit of preceding three Financial years in terms of Section 135 of the Companies Act 2013.

c. (i) Details of expenditure during FY 2016-17 in cash and yet to be paid in cash by Company to SEWA-THDC along with the nature of expenditure (capital or revenue) is as under:

(₹ in Lakh)

	In cash	Yet to be paid	Total
(i) Const./Acquisition of any assets		0	
(ii) On purpose other than (i)	1528	0	1528

(ii) Disclosure related to Research & Development Expenditure

The Company has incurred an amount of ₹ 434 Lakh (PY ₹ 345 Lakh) towards Research & Development expenditure during the current financial year 2016-17 as per the R&D plan approved by the Board for the FY 2016-17.

13. Principal amount remaining unpaid to suppliers/service providers registered under MSMED Act 2006 ₹ 1 Lakh. (Previous Year ₹ 37 Lakh and as at 01.04.2015 ₹ Nil Lakh).

14. 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 ₹ 890 Lakh (P.Y. ₹ 879 Lakh) towards lease payment (net off recoveries)

15. i) Company has been paying Employer's Share of Provident Fund inclusive of Family Pension at fixed % as declared by EPFO from time to time under Defined Contribution Scheme. Based on actuarial valuation ₹. Nil (As the fair Value of Plan Assets exceeds the Present Value of Obligations by ₹ 208 Lakh (Previous Year ₹ 13 lakh Shortfall), there is no shortfall / deficiency warranting any extra provision) (P.Y. ₹ 13 Lakh.) has been provided in the books.

ii) Disclosure under the provisions of Ind AS-19 on “Employees Benefits”.

Provision for employee benefits has been made for the current period using the Actuarial Valuation done as at 31.03.2017. Accordingly, disclosure under the provision of Ind AS 19 on “Employee Benefits” for the Financial Year ended 31.03.2017 is given below:

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

Particular	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Mortality Table	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)	LIC (1994-96) Duly modified
Discount Rate	7.50%	7.75%	8.0%	8.50%	8.0%
Future Salary Increase	8.00%	8.00%	8.0%	6.50%	6.0%

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

₹ in Lakh

(Figures in Parenthesis Represent in Negative Balance)

Particular	Gratuity	Leave Encashment	Post retirement medical benefit	Sick Leave	Baggage allowance/ Retirement award/FBS
PVO at Beginning of year	14638 {13741}	3714 {5875}	4598 {3692}	10330 {9382}	735 {632}
Interest cost	1134 {1099}	288 {470}	356 {295}	801 {751}	59 {53}
Service cost	1941 {703}	307 {216}	168 {135}	573 {492}	47 {43}
Benefit paid	(574) {(701)}	(579) {(3683)}	(127) {(141)}	176 {293}	(48) {(58)}
Actuarial (Gain)/loss	(137) {205}	1668 {835}	643 {616}	861 {(1)}	12 {64}
PVO at end of year	17003 {14638}	5398 {3714}	5639 {4598}	12388 {10330}	805 {735}

Table – 3: Amount Recognised in Balance Sheet

₹ in Lakh

(Figures in Parenthesis Represent in Negative Balance)

Particular	Gratuity	Leave Encashment	Post retirement medical benefit	Sick Leave	Baggage allowance/ Retirement award/FBS
PVO at end of year	17003 {14638}	5398 {3714}	5639 {4598}	12388 {10330}	862 {805}
Fair Value of Plan Assets at the end of year					
UNfunded Laib./Prov	17003 {14638}	5398 {3714}	5639 {4598}	12388 {10330}	862 {805}
Unrecognised actuarial gain/loss					
Net liability recognized in Balance Sheet	(17003 {14638}	5398 {3714}	5639 {4598}	12388 {10330}	862 {805}

Table – 4: Amount recognized Statement of Profit & Loss , OCI & EDC .

₹ in Lakh

(Figures in Parenthesis Represent in Negative Balance)

Particular	Gratuity	Leave Encashment	Post retirement medical benefit	Sick Leave	Baggage allowance/ Retirement award/FBS
Service Cost	1941 {703}	307 {216}	168 {135}	573 {492}	50 {47}
Interest Cost	1134 {1099}	288 {470}	356 {295}	801 {751}	62 {59}
Net Actuarial (gain)/loss recognized for the year in OCI	(137) {205}	1668 {835}	643 {616}	861 {(1)}	38 {12}
Expense recognized Statement in Profit & Loss/EDC for the year.	3076 {1802}	2263 {1521}	1168 {1047}	2234 {1242}	217 {153}

Other disclosure:

Gratuity	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation at end of the year	17003	14638	13741	11049	9611
Actuarial (Gain)/loss			2266	593	598
Actuarial (Gain)/loss recognized through Statement of OCI	(137)	(205)			
Expense recognized in Statement of Profit & Loss/EDC for the year	3076	1597	3880	1917	1765

PRMB	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation at end of the year	5639	4598	3692	2326	2027
Actuarial (Gain)/loss	643	616	1118	118	89
Actuarial (Gain)/loss recognized through Statement of OCI	643	616	-	-	-
Expense recognized in Statement of Profit & Loss/EDC for the year	525	1047	1433	357	300

LEAVE	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation at end of the year	5398	3714	5875	4909	4266
Actuarial (Gain)/loss	1668	835	2131	938	740
Expense recognized in Statement of Profit & Loss/EDC for the year	2263	1521	2876	1562	1308

SICK LEAVE	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation at end of the year	12388	10330	9382	4664	4594
Actuarial (Gain)/loss	861	(1)	4288	(467)	176
Expense recognized in Statement of Profit & Loss/EDC for the year	2234	1242	5147	146	736

Baggage Allowance / Retirement Award/FBS	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation at end of the year	862	805	735	632	654
Actuarial (Gain)/loss	38	12	64	(86)	125
Actuarial (Gain)/loss recognized through Statement of OCI	38	12			
Expense recognized in Statement of Profit & Loss/EDC for the year	112	149	118	5	211

16. Payment to Auditors (including service tax)

(₹ in lakh)

		2016-17	2015-16
I.	Statutory Audit Fees	10*	10 *
II.	For Taxation matter (Tax Audit)	2	2
III.	For Company Law matter	-	-
IV.	For Management services	-	-
V.	For other Services(Certification)	1	6
VI.	For Reimbursement of expenditure	2	2

*Subject to approval in Annual General Meeting.

17. Additional information required as per Schedule III of the Companies Act 2013 is as under

(₹ in lakh)

	PARTICULARS	2016-17	2015-16
A	Expenditure in Foreign Currency (on cash basis)		
	Travelling	14	27
	Consultancy & Professional Expenditures	293	249
	Management/Commitment fee	125	308
	Repayment of loan & Interest		0
	Import of goods	12517	8781
	Others (Advance)		0
	Nomination for Conference		
	Purchase of Software		
	Others		3746
	TOTAL	12949	13111
B	Earnings in Foreign Currency (on cash Basis)	0	0
C	Value of Imports calculated on CIF basis		
	i) Capital Goods	13087	8809
	ii) Spare parts		
	Total	13087	8809
D	Value of Components, Stores & Spare parts Consumed		
	i) Imported (in lacs Rupees)	68	51
	(%)	14	6
	ii) Indigenous (in lacs Rupees)	444	749
	(%)	86	94
E	Value of Export	0	0

18. Licensed and Installed Capacities:

SI. No	Particulars	2016-2017	2015-2016
(i)	Licensed Capacity (M.W)	Not Applicable**	Not Applicable**
(ii)	Installed Capacity (M.W)	1513 MW	1400 MW
(iii)	Approved Capacity(M.W)- Based on investment approval by CCEA	2981 MW	2868 MW
(iv)	Quantitative information in respect of Generation and sale of Electricity (In Million Units)		
	Commercial Productions		
	Generation Total	4430.000424	4348.29007
	Sales (net of free power to home state, auxiliary consumption and transformation losses)	3890.65028	3812.82617

** 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.

19. Reconciliation of Cash & Cash Equivalents between Cash Flow Statement and Balance Sheet is as under:

(₹ in lakh)

Particulars	Note No.	31.03.2017	31.03.2016
Cash And Cash Equivalents	9	6707	7558
Bank Balances under Lien	10	25037	37
Over Draft Balance	21	-38724	-3677
Cash & Cash Equivalent as per Cash Flow Statement		-6980	3918

20. During the year, the company had specified bank notes or other denomination note as defined in the MCA notification GSR 308(E) dated March 30, 2017 on the details of Specified Bank Note (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(₹)

	SBNs (₹)	Other denomination notes (₹)	Total (₹)
Closing cash in hand as on 08.11.2016	296500.00	117475.00	413975.00
(+) Permitted receipts	0.00	522421.00	522421.00
(-) Permitted payments	500.00	264203.00	264703.00
(-) Amount deposited in Banks	296000.00	84407.00	380407.00
Closing cash in hand as on 30.12.2016	0.00	291286.00	291286.00

Explanation: For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016."

21. 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

(Rashmi Sharma)
 Company Secretary
 Membership No. 026692

(Sridhar Patra)
 Director (Finance)
 DIN: 06500954

(D. V. Singh)
 Chairman & Managing Director
 DIN: 03107819

As per our Report of Even Date Attached

For **P.D. AGRAWAL & CO.**

Chartered Accountants

FRN 001049C of ICAI

(ASHISH KUMAR AGARWAL)

Partner

Membership No. :- 077178

Date : 31.08.2017

Place: Rishikesh

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
THDC INDIA LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of THDC India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows including Other Comprehensive Income and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant

to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give true and fair view 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 Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;
- b) in the case of the Statement of Profit and Loss including Other Comprehensive Income, of the profit for the year ended on that date;
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- d) in the case of Statement of Changes in Equity, Changes in Equity for the year ended on that date

Emphasis of Matter

We draw attention to the following matters in the Notes to the Ind As financial statements:

- a) Accounting Policy No.13.1 on Revenue Recognition and Other Income read with Note No. 27.1 of Ind AS Financial Statement in respect of accounting on sales. Sales has been recognized based on provisionally approved tariff for 2014-19 period.
- b) Para 3 of Notes No. 37 of the Ind AS Financial Statement regarding contingent liability which describes the uncertainty related to outcome of the claims/arbitration proceedings and cases filed in courts by/against the company on/by contractors and others.
- c) Confirmation of Outstanding balances as on 31.03.2017 have been received by us through THDC India Ltd. to the extent of 90% of balances.

Our opinion is not modified in respect of these matters.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. The Comptroller & Auditor-General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of section 143 of the Companies Act 2013, the compliance of which is set out in "**Annexure B**".
3. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) In terms of Notification No. G.S.R. 463E dated 05th June, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Act regarding disqualification of directors, are not

applicable to the Company.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”; and
- g) With respect to the other matters included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
- i. The Company has disclosed the probable impact of pending litigations on in its financial statements – Refer Note 37.3 to the Ind AS Financial Statements.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The company has provided requisite disclosures in the Ind AS financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016, on the basis of information available with the company. Based on audit procedures and relying on management’s representations , we report that disclosures are in accordance with books of accounts maintained by the company and as produced to us by the management. Refer Note No. 37.20.

For P.D. Agrawal & Co.
Chartered Accountants
Firm Reg. No. 001049C

(Ashish Kumar Agarwal)
M. No.: 077178

Place: Rishikesh
Dated: 31.08.2017

FORMING PART OF THE AUDITORS' REPORT OF THDC INDIA LTD

(Annexure-A referred to in paragraph I under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

We report that:-

- i. (a) The Company has maintained records of Property, Plant and Equipments showing full particulars including quantitative details and situation of Property, Plant and Equipments. The records for movement of the assets have been properly maintained.
- (b) The Property, Plant and Equipments have been physically verified by Independent Firms of Chartered Accountants during the year and no material discrepancies were noticed during Physical Verification of Property, Plant and Equipments. In our opinion, frequency of verification is reasonable having regard to the size of the Company and the nature of its business.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, Freehold land and Lease hold land acquired prior to change in name of company as THDC India Ltd. are either in the name of Tehri Dam Project or Tehri Hydro Development Corporation. Action has been initiated for changing old name to new name in title deeds w.r.t. Freehold land measuring 610.35 Hac. and Leasehold land 1.875 Hac. as disclosed vide note no.37.6 (ii) & (i)
- ii. Physical Verification of Inventory has been conducted by Independent Firms of Chartered Accountants. In our opinion frequency of physical verification is reasonable. No material discrepancies were noticed during physical verification of Inventories.
- iii. The company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause (iii) (a), (b) and (c) of paragraph 3 of the Order is not applicable.
- iv. In our opinion and according to information and explanation given to us the company has in respect of loans, investments, guarantees, and security, complied with the provision of section 185 and 186 of the Companies Act, 2013.
- v. Since the Company has not accepted any deposits from the public, the question of compliance with the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 of Companies Act 2013, and rules framed there under, does not arise.
- vi. The Central Government has prescribed maintenance of Cost Records under Section 148(1) of the Companies Act, 2013. The company is maintaining the required Cost Records. Cost Audit for the F.Y. 2016-17 is under process.
- vii. (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, Service Tax, other statutory dues applicable to the company and that there are no undisputed statutory dues were outstanding as at March 31, 2017 for a period of more than six months from the date of becoming payable. As informed,

the provisions of the Employees State Insurance Act are not applicable to the Company.

(b) According to the information and explanation given to us, following disputed service tax dues have not been deposited.

Financial Year	Amount (₹ in Lacs)	Nature of Dues	Present Status
2012-13 to 2014-15	14.86	Service Tax	THDCIL has filed appeal against the demand to Tribunal.

- viii. On the basis of audit procedures adopted by us and according to the records and as per the information and explanation given to us by the management, the company has not defaulted in repayment of loans and borrowings to any financial institution, bank.
- ix. In our opinion and as per the information and explanation given to us by the management, the Company has applied the money raised during the year by way of term loans including funds raised through bonds for the purposes for which they were raised.
- x. 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 by the company or on the company by its officers or employees, nor any such cases have been noticed or reported by the management during the year.
- xi. In view of exemption given vide in terms of notification No. G.S.R. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, the provisions of section 197 read with schedule V of the Act regarding managerial remuneration, are not applicable to the company.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion and as per the information and explanation given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Notes to the Ind AS Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- xv. In our opinion and as per the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Therefore, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For P.D. Agrawal & Co.
Chartered Accountants
Firm Reg. No. 001049C

Place : Rishikesh
Dated : 31.08.2017

(Ashish Kumar Agarwal)
M. No.: 077178

"ANNEXURE-B"

FORMING PART OF THE AUDITORS' REPORT OF THDC INDIA LTD

(Annexure-B referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

Sl.	Directions	Auditor's comments	Action taken by management	Impact on Financial Statements
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	Freehold land and Lease hold land acquired prior to change in name of company as THDC India Ltd. are either in the name of Tehri Dam Project or Tehri Hydro Development Corporation. Action has been initiated for changing old name to new name in title deeds w.r.t. Freehold land measuring 610.35 Hac. and Leasehold land 1.875 Hac. as disclosed vide note no.37.6 (ii) & (i)	Matter has been taken up with revenue authorities for change of old name to new name.	Nil
2	Whether there are any cases of waiver/write off of debts/loans/interest etc. If yes, the reasons thereof and amount involved.	According to the information and explanations given to us, there are no cases of waiver/write off of debts /loans/interest etc.	N.A.	Nil
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from the Government or other authorities.	As per information and explanations given to us, the company is maintaining proper records for inventories lying with third parties. As informed, the company has not received any assets as gift/grant(s) from government or other authorities.	Proper records are maintained.	Nil

For P.D. Agrawal & Co.

Chartered Accountants

Firm Reg. No. 001049C

(Ashish Kumar Agarwal)

M. No.: 077178

Place: Rishikesh

Dated: 31.08.2017

FORMING PART OF THE AUDITORS' REPORT OF THDC INDIA LTD

(Annexure-C referred to in paragraph 3(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

Report on the Internal Financial Controls under Clause(i) of sub section 3 of Section 143 of the Companies Act, 2013("the Act")

We have audited the internal financial controls over financial reporting of **THDC INDIA LTD. ("the Company")** as of 31st March, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on financial statements.

Inherent Limitations of Internal Controls over Financial Reporting

Because of the inherent limitations financial controls over financial reporting including the possibility of collusion or improper management

override of controls material misstatements due to error or fraud may occur and not to be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Reporting issued by the ICAI.

For P.D. Agrawal & Co.
Chartered Accountants
Firm Reg. No. 001049C

(Ashish Kumar Agarwal)
M. No.: 077178

Place: Rishikesh
Dated: 31.08.2017

No. MAB-III/Rep/01-98/A/cs-THDC/2017-18/Vol.-III/784

भारतीय लेखापरीक्षा और लेखा 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: 13/09/2017

सेवा में,

अध्यक्ष एवं प्रबंध निदेशक,
टीएचडीसी इंडिया लिमिटेड,
ऋषिकेश।

विषय: 31 मार्च 2017 को समाप्त वर्ष के लिए टीएचडीसी इंडिया लिमिटेड, ऋषिकेश के वार्षिक लेखाओं पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक-महालेखा परीक्षक की टिप्पणियाँ।

महोदय,

मैं टीएचडीसी इंडिया लिमिटेड, ऋषिकेश के 31 मार्च 2017 को समाप्त वर्ष के लेखाओं पर कंपनी अधिनियम, 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रही हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

संलग्न : यथोपरि

भवदीया,
ह. / -
(रितिका भाटिया)
प्रधान निदेशक

छठा एवं सातवाँ तल, सी.ए.जी., भवन एनेक्सी, 10, बहादुरशाह ज़फ़र मार्ग, नई दिल्ली-110002
6th & 7th Floor, C.A.G. Building, Annexe, 10, Bahadurshah Zafar Marg, New Delhi -110 002
Tel.: 011-23239213, 23239235, Fax: 011-23239211; E-mail: mabnewdelhi3@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THDC INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of THDC India Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 31 August, 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143 (6) (a) of the Act of the financial statements of THDC India Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

Sd/-
(Ritika Bhatia)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-III,
New Delhi

Place : New Delhi

Dated : 13 September, 2017