



# **Energy Development Company Limited**

**Annual Report & Accounts 2014-2015**

**20TH  
ANNUAL REPORT & ACCOUNTS  
2014 - 2015**



**ENERGY DEVELOPMENT  
COMPANY LIMITED**

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Annual General Meeting on Tuesday,  
the 29th day of September, 2015 at 1:30  
P.M. at Harangi Hydro Electric Project,  
Vill. - Hulugunda, Taluka - Somawarpet,  
District - Kodagu, Karnataka - 571 233.

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Chairman

Mr. Amar Singh (*Non-Executive*)

### Executive Director

Mr. Sanjiv Saraf

### Directors

Mr. Gouri Prasad Goenka  
Mrs. Pankaja Kumari Singh  
Mr. Sanjay Kumar Gupta  
Mr. Vijoy Kumar  
Mr. Tarun Chaturvedi  
Mr. Anil Gupta  
Mr. Bijay Kumar Garodia

### Dy. Company Secretary

Ms. Vijayshree Binnani

### Statutory Auditors

M/s. Lodha & Co.  
Chartered Accountants

### Registered Office

Harangi Hydro Electric Project  
Village - Hulugunda, Taluka - Somawarpet  
District - Kodagu, Karnataka - 571 233  
Phone : (08276) 277040; Fax : (08276) 277012  
E-mail : edclhhep@gmail.com  
www.edclgroup.com  
CIN : L85110KA1995PLC017003

### Corporate Office

EDCL HOUSE  
1A, Elgin Road, Kolkata - 700 020  
Phone : (033) 3053 4983 / 4990  
Fax : (033) 2290 3298  
E-mail : secretarial@edclgroup.com  
Website : www.edclgroup.com

## Audit Committee

Mr. Tarun Chaturvedi (*Chairman*)  
Mr. Anil Gupta  
Mr. Sanjiv Saraf  
Mr. Vijoy Kumar

## Stakeholders Relationship Committee

Mrs. Pankaja Kumari Singh (*Chairperson*)  
Mr. Vijoy Kumar  
Mr. Sanjiv Saraf

## Nomination and Remuneration Committee

Mr. Vijoy Kumar (*Chairman*)  
Mr. Sanjay Kumar Gupta  
Mr. Tarun Chaturvedi

## Corporate Social Responsibility Committee

Mr. Sanjay Kumar Gupta, (*Chairman*)  
Mr. Sanjiv Saraf  
Mr. Tarun Chaturvedi

## Principal Bankers

Allahabad Bank  
ICICI Bank Limited  
State Bank of India  
The Federal Bank Limited  
The Ratnakar Bank Limited  
Yes Bank Limited

## Registrar & Share Transfer Agent

Niche Technologies Private Limited  
D-511, Bagree Market, 5th Floor  
71, Biplabi Rash Behari Basu Road  
Kolkata – 700 001  
Phone : (033) 2235 7270 / 7271  
E-mail : nichetechpl@nichetechpl.com

## Stock Exchanges where Company's Shares are listed

Bombay Stock Exchange Limited  
National Stock Exchange of India Limited



## NOTICE TO THE MEMBERS

Notice is hereby given that the **20th Annual General Meeting** of the Members of the Company will be held at its Registered Office at Harangi Hydroelectric Project, Village – Hulugunda, Taluka – Somawarpet, District – Kodagu, Karnataka – 571 233, on Tuesday, the 29th day of September, 2015 at 01:30 P.M. to transact the following businesses:

### ORDINARY BUSINESSES :

1. To consider and adopt the Audited standalone and consolidated Financial Statements of the Company for the financial year ended on 31st March, 2015 along with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the financial year ended on 31st March, 2015.
3. To appoint a Director in place of Mr. Amar Singh (DIN : 00165567), who retires by rotation at this Annual General Meeting, and being eligible has offered himself for re-appointment.
4. To ratify the appointment of the Auditors and to fix their remuneration. In this regard, to consider and, if thought fit, to pass, with or without modification(s) the following as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 139(9) and 142(1) and all other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, the Company hereby ratifies the appointment of M/s. Lodha & Co., Chartered Accountants, 14, Government Place East, Kolkata – 700 069, (Firm Registration No. 301051E) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 21st Annual General Meeting to be held in 2016 and the Board of Directors be and is hereby authorized to fix such remuneration for the financial year 2015-16, as may be recommended by the Audit Committee, in consultation with the Auditors plus reimbursement of out-of-pocket expenses actually incurred by the Auditors at the time of performing their duties.”

### SPECIAL BUSINESSES :

#### 5. Remuneration of Cost Auditors

To approve the remuneration of the Cost Auditors for the financial year ending on 31st March, 2016 and in this regard to consider and, if thought fit, to pass, with or without modification(s) the following as an Ordinary Resolution :

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the Company hereby ratifies the remuneration of M/s. N. Radha Krishnan & Co., Cost Auditors appointed by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2016, at a remuneration of ₹ 40,000 (Rupees forty thousand) only plus service tax and reimbursement of out of pocket expenses, if any.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### 6. Appointment of Mr. Bijay Kumar Garodia, Independent Director

To appoint Mr. Bijay Kumar Garodia (DIN: 00044379) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s) the following as a Special Resolution :

“**RESOLVED THAT** pursuant to the provisions of Sections 149,150,152 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. Bijay Kumar Garodia (DIN 00044379), who was appointed as an Additional Director of the Company by the Board of Directors, with effect from 13th November, 2014 in pursuance of Section 161(1) of the Act and whose terms of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under



Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to 12th November, 2019."

**"RESOLVED FURTHER THAT** pursuant to the provisions of section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr. Bijay Kumar Garodia be paid such fees and remuneration, as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

Dated : 14th August, 2015

**Corporate Office :**

"EDCL House"  
1A, Elgin Road  
Kolkata - 700 020

By Order of the Board  
For **Energy Development Company Limited**

Sd/-  
**Vijayshree Binnani**  
(Dy. Company Secretary)

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**NOTES :**

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.**

*A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company and carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxy form and attendance slip is enclosed herewith. Members / Proxies / authorized representative should bring their Attendance Slip duly filled in for attending the meeting.*

- 2) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 3) Brief resume of Directors seeking appointment / re-appointment at the Meeting along with details of their other Directorships and shareholding in the Company pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges are provided as an annexure to this Notice.
- 4) Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 5) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 23rd day of September, 2015 to Tuesday, the 29th day of September, 2015 (both days inclusive) for the purpose of payment of dividend, if approved by the Members at the Meeting, for the year ended on 31.03.2015.
- 6) The dividend, as recommended by the Board, if approved by the Members at the Meeting, will be paid on or after 29.09.2015 to those Members or their mandates whose names are registered on the Company's Register of Members:
  - a) As Beneficial Owners as at the end of business hours on 22.09.2015 as per the lists to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of shares held in electronic form, and



- b) As Members in the Register of Members of the Company after giving effect to all valid share transfers in physical form, which are lodged with the Company or its Registrar & Share Transfer Agent (RTA) on or before 22.09.2015.
- 7) Members who have not yet encashed their dividend warrant(s) for the financial years ended on 31.03.2008 onwards, are requested to make their claims to the Company accordingly, without any delay. It may be noted that the unclaimed dividend for the financial year 2007-08 declared on 16.08.2008 can be claimed by the shareholders within 19.09.2015 after which such unclaimed dividend amount shall be transferred to the 'Investor Education and Protection Fund' of Central Government. Please note that after such transfer, the Members will not be entitled to claim such dividend.
- 8) The Equity Shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company confirms that it has paid Annual Listing Fees to the said Exchanges for the year 2015-2016.
- 9) Members holding shares in physical form are requested to notify any change in their address including Pin Code, Bank Mandate, Income Tax Permanent Account Number, email ID etc. to the Company's Registrar & Share Transfer Agent (RTA).
- 10) Members holding shares in dematerialized form are requested to furnish this information to their respective Depository Participants for updation of the records.
- Members who hold shares in physical Form in multiple folios in identical name or joint holding in the same order of names are requested to send the share certificates to the Company or its RTA for consolidating into single folio. The share certificates will be returned to the Members after making requisite changes thereon.
- 11) Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company. Request may be made to the Company or its RTA for the Nomination Form.
- 12) The Securities and Exchange Board of India (SEBI) has made it mandatory for all the Companies to use bank details furnished by the Investors for distributing Dividends or other cash benefits through National Electronic Clearing Services (NECS). In the absence of NECS facility, Companies are required to print the bank details on the payment instrument for distribution of dividend. Members holding shares in physical mode are requested to provide their bank details to the RTA in the NECS Mandate form, which is being sent along with the Annual Report. Whereas, Members holding shares in demat mode are requested to record the same with their respective Depository Participant(s).
- 13) The SEBI has vide Circular no. MRD/DoP/Cir-05/2009 dated 20th May, 2009 mandated the submission of PAN by every participant in the security market. Members holding shares in electronic form / physical form are therefore, requested to submit their PAN to the Company or its RTA.
- 14) Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with the relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not yet registered their e-mail address with the Company or their respective Depository are requested to do so.
- 15) All the documents referred to in the accompanying Notice and Statement are open for inspection by the Members at the Company's Registered Office at Harangi Hydro Electric Project, Village – Hulugunda, Taluka – Somawarpet, District – Kodagu, Karnataka – 571 233 on all working days, between 10.00 A.M. to 1.00 P.M. till 29.09.2015.
- 16) The Notice of Annual General Meeting will be sent to the Members, whose names appear in the Register of Members / Depositories as at closing hours of business, on 21.08.2015.



Copies of Annual Report 2014-15 are being sent by electronic mode only to the Members whose email addresses are registered with the Company/Depository Participant(s) for Communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the Annual Report 2014-15 are being sent by the permitted mode.

- 17) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22.09.2015.
- 18) The Members shall have one vote per equity share held by them as on the cut-off date (record date) of 22.09.2015. The facility of e-voting including Ballot Form would be provided once for every folio / client id, irrespective of the number of joint holders.

19) **VOTING THROUGH ELECTRONIC MEANS**

I. In compliance with provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide the members a facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (“AGM”) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“**remote e-voting**”) will be provided by **National Securities Depository Limited (“NSDL”)**.

II. In order to enable the Members who do not have access to e-voting facility, to send their assent or dissent in writing in respect of resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice so as to reach the Scrutinizer at ‘EDCL House’, 1A, Elgin Road, Kolkata – 700 020 in the enclosed postage pre-paid self-addressed envelope, not later than Monday, 28.09.2015 (05:00 P.M.). A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts vote by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

Further instructions for the Ballot Form are given in the said Form and instructions for e-voting are given herein below.

III. The facility for voting through Ballot Form or Polling Paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting or Ballot Form shall be able to exercise their right at the meeting.

IV. The Members who have cast their vote by remote e-voting or Ballot Form prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

V. The remote e-voting period commences on **26th September, 2015 (10:00 A.M.)** and ends on **28th September, 2015 (05:00 P.M.)**. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 22.09.2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

VI. **The process and manner for remote e-voting are as under :**

A. **In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :**

- (i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.



- (ii) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting >Active Voting Cycles.
- (vii) Select "EVEN" of "Energy Development Company Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [cs mukeshc@gmail.com](mailto:cs mukeshc@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**B. In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :**

- (i) Initial password is provided in the Annexure or at the bottom of the Ballot Form / Attendance Slip for this AGM (enclosed herewith).
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VIII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IX. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- X. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 22.09.2015.
- XI. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 22.09.2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer / RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.





- XII. A Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XIII. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, voting through Ballot Form as well as voting at the AGM through e-voting or Ballot Form or Polling Paper.
- XIV. Mr. Mukesh Chaturvedi, Practicing Company Secretary, (Membership No.10213 and CP No. 3390) of 169, Arabinda Sarani, Ground Floor, Kolkata – 700 006 has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility or Ballot Form.
- XVI. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.edclgroup.com](http://www.edclgroup.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
- 20) Since e-voting facility (including Ballot Forms) is provided to the Members pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, voting by show of hands is not allowed.

Dated : 14th August, 2015

**Corporate Office :**

"EDCL House"  
1A, Elgin Road  
Kolkata - 700 020

By Order of the Board  
For **Energy Development Company Limited**

Sd/-  
**Vijayshree Binnani**  
(Dy. Company Secretary)

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

The following Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013 (The "Act"), sets out all material facts relating to the business mentioned at Item Nos. 5 and 6 of the accompanying Notice dated 14th August, 2015:

**Item No. 5**

The Board had on 28th May, 2015 on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. N. Radha Krishnan & Co., the Cost Auditors to conduct the audit of the Cost records of the Company for the Financial Year ending 31st March, 2016 at a remuneration of ₹ 40,000/- plus service tax and reimbursement of out-of-pocket expenses if any. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, ratification of the remuneration payable to the Cost Auditors for the Financial Year 2015-16 is being sought from the members by way of an Ordinary Resolution as set out at Item No. 5 of the Notice.

The Board recommends the Resolution for approval by the Members. None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, in the said resolution, except as Shareholder, if any.

**Item No. 6**

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company had appointed Mr. Bijay Kumar Garodia as an Additional Director of the Company (Independent Category) with effect from 13th November, 2014. In accordance with the provisions of Section 161 of Companies Act, 2013, Mr. Bijay Kumar Garodia shall hold office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term of five consecutive years.

The Company has received a notice in writing in the prescribed manner as required under Section 160 of the Companies Act, 2013 and Rules made thereunder, regarding his candidature for the office of Director.

Mr. Garodia has submitted a declaration of independence as required pursuant to section 149(7) of the Companies Act, 2013 stating that he meets the criteria of independence as provided in sub-section (6). He is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The Board is of the opinion that Mr. Bijay Kumar Garodia possesses requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to continue to have his association with the Company as an Independent Director.

Further, in the opinion of the Board, the proposed appointment of Independent Director, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and that the proposed appointment of such Director is independent of the management.

The terms and conditions of appointment of Independent Director shall be open for inspection at the registered office of the Company by any member during normal business hours and the same shall also be available at the Company's website.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, in the said resolution, except as Shareholder, if any.

In pursuance of Clause 49 of the Listing Agreements with the Stock Exchange, the detailed profile of Independent Director proposed to be appointed is given below :



Born on 26.08.1957 Mr. Bijay Kumar Garodia, did his graduation from Guwahati Commerce College, Guwahati.

Mr. Garodia is a business magnate and philanthropist.

His group of industries include Ferro Alloys, Power, Real Estate, Dairy, Cement and Tea. He has been responsible for his Group's business strategies within as well as overseeing the business development and sourcing efforts.

For his commendable contribution to the industry and service to the society, he has been awarded and recognized by various organization. In 1996, he was bestowed upon with the honour of NATIONAL CITIZENSHIP AWARD by the then Prime Minister of India.

**He is a Director in the following Companies :**

- Meghalaya Cements Limited
- Barak Valley Cements Limited
- Prithvi Energy Limited
- Nirlon Powercem Limited
- Prithvi Ferro Alloys Private Limited
- Dhariwal Power and Alloys Private Limited
- Top Metals Limited
- Goombira Tea Company Limited
- Sri VaibhavLaxmi Metals Private Limited
- Vision Industries Private Limited
- Stark Steel Private Limited



## ANNEXURE TO THE NOTICE OF 20TH ANNUAL GENERAL MEETING

### PARTICULARS OF DIRECTOR SEEKING RE-APPOINTMENT

(In pursuance of clause 49 of the listing agreements with the stock exchanges)

Sl. No.	PARTICULARS	NAME OF THE DIRECTOR MR. AMAR SINGH
1.	Status of Directorship	Promoter, Non-Executive Director, Chairman
2.	Relationship between Directors inter-se	Spouse of Mrs. Pankaja Kumari Singh
3.	Date of Birth	27.01.1956
4.	Date of appointment	05.02.1996
5.	Qualification	B. A., LLB
6.	Expertise in specific functional areas	Mr. Amar Singh was a member of Rajya Sabha since November 1996 till 2014. He is an eminent politician and an expert in Management.
7.	Directorship in other companies	<ul style="list-style-type: none"> <li>■ Ogaan Media Private Limited</li> <li>■ Startrack Vinimay Private Limited</li> <li>■ Sarvottam Caps Private Limited</li> <li>■ Arunachal Hydro Power Limited</li> <li>■ EDCL-Arunachal Hydro Project Private Limited</li> <li>■ EDCL-Seppa Dunkho Hydro Electric Private Limited</li> <li>■ EDCL-Seppa Lada Hydro Electric Private Limited</li> <li>■ EDCL-Seppa Pachuk Power Private Limited</li> <li>■ EDCL-Tawang Power Private Limited</li> <li>■ EDCL Infrastructure Limited</li> </ul>
8.	Chairman(C)/Member(M) of Committees of the Board of Companies of which he is a Director	None
9.	Number of shares held in the company as on 31.03.2015.	14,58,453 Shares
10.	Number of convertible warrants held in the company as on 31.03.2015.	Nil



## DIRECTORS' REPORT

To the Members,

Your Directors take pleasure in presenting the 20th Annual Report on the business and operations of your Company along with the standalone and consolidated summary financial statements for the year ended on 31st March, 2015.

### FINANCIAL RESULTS

Your Company's financial performance for the year under review is summarized below : (Amount in ₹)

PARTICULARS	Consolidated		Standalone	
	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2015	Year ended 31.03.2014
Revenue from operations	381,587,161	492,139,870	217,627,198	387,496,742
Other Income	78,204,609	59,688,176	61,820,773	62,714,317
<b>Total Revenue</b>	<b>459,791,770</b>	<b>551,828,046</b>	<b>279,447,971</b>	<b>450,211,059</b>
Total expenses other than depreciation & finance cost	212,493,696	374,443,112	147,926,215	306,322,903
<b>Profit before depreciation and finance cost</b>	<b>247,298,074</b>	<b>177,384,934</b>	<b>131,521,756</b>	<b>143,888,156</b>
Depreciation	118,595,505	101,869,576	40,637,807	49,546,126
<b>Profit before finance cost and tax</b>	<b>128,702,569</b>	<b>75,515,358</b>	<b>90,883,949</b>	<b>94,342,030</b>
Finance cost	262,935,125	199,444,899	76,981,563	87,858,868
<b>Profit before tax</b>	<b>(134,232,556)</b>	<b>(123,929,542)</b>	<b>13,902,386</b>	<b>6,483,162</b>
Tax expenses	5,152,335	(21,102,578)	101,545	(15,585,185)
<b>Net profit for the period</b>	<b>(139,384,891)</b>	<b>(102,826,964)</b>	<b>13,800,841</b>	<b>22,068,347</b>
<b>Earnings per equity share of ₹ 10 each (Basic &amp; Diluted)</b>	<b>(6.29)</b>	<b>(4.96)</b>	<b>0.50</b>	<b>0.80</b>

### APPROPRIATION

Your Directors recommend appropriation as under: (Amount in ₹)

PARTICULARS	Standalone	
	Year ended 31.03.2015	Year ended 31.03.2014
Surplus as at end of previous year	592,627,231	586,645,697
Add: Net profit for the year	13,800,841	22,068,347
<b>Available for appropriation</b>	<b>606,428,071</b>	<b>608,714,044</b>
Less: Proposed dividend	13,750,000	13,750,000
Less: Tax on dividend	2,799,176	2,336,813
Less: Transfer to General Reserve	–	–
Less: Adjustment of Depreciation (Net of Deferred Tax) as on 01.04.2014	2,327,495	–
<b>Total Appropriation</b>	<b>18,876,671</b>	<b>16,086,813</b>
Surplus carried forward	587,551,400	592,627,231

**DIVIDEND**

Your Directors recommend payment of dividend @ 5% on the paid up share capital of the Company, i.e. ₹ 0.50/- per equity share of ₹ 10/- each.

**RESERVES**

The Company did not transfer any amount to reserves during the year.

**STATE OF COMPANY'S AFFAIR**

The Company is primarily engaged in power generation, infrastructure development, such as construction of bridges, hydro projects including operation and maintenance thereof, supply of materials etc. Financial position of the Company is given in the previous paragraphs. A detailed information on the operation of different business segments of the Company, future expectations and business environment is provided in the Management Discussion and Analysis Report which is made an integral part of this Report and marked as **Annexure "A"**.

**CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing agreement, Management Discussion and Analysis Report, the Report on Corporate Governance, Declaration of Whole-Time Director on Code of Conduct, CEO / CFO Certification and Auditors Certificate on compliance of conditions of Corporate Governance form an integral part of this Report and are annexed to this Report as Annexure **"A"**, **"B"**, **"C"**, **"D"** and **"E"** respectively.

**SUBSIDIARY AND ASSOCIATE COMPANIES**

The Company is developing several hydro power projects in the States of Arunachal Pradesh, Uttarakhand and Kerala through its various subsidiaries.

The Company has total 18 subsidiaries as on 31st March, 2015 including 5 wholly owned subsidiaries and 13 subsidiaries held through Arunachal Hydro Power Limited, a wholly owned subsidiary of the Company.

**Wholly-owned subsidiaries :****i) Ayyappa Hydro Power Limited**

One of the two material non- listed subsidiary, this Company is executing a 15 MW Karikkayam Hydel Power Project, in the State of Kerala. The Project is scheduled to be completed in two phases. Entire generation from this unit is being sold to the Kerala State Electricity Board (KSEB) under a Long term Power Purchase Agreement (PPA), which was signed on 14.07.2014. The first phase of the project has become operational and the second phase is likely to be operational in the current financial year.

Two of the Independent Directors of the Company are on the Board of Directors of this Subsidiary, namely Mr. Tarun Chaturvedi (DIN: 02309045) and Mr. Vijoy Kumar (DIN: 02970626).

**ii) EDCL Power Projects Limited**

Another material non- listed subsidiary, this Company is operating the 7 MW Ullunkal Hydro Electric Project.

Mr. Tarun Chaturvedi (DIN: 02309045) an Independent Director of the Company is on the Board of Directors of this subsidiary.

**iii) Eastern Ramganga Valley Hydel Projects Co. Private Limited**

The Company is executing 6.5 MW Burthing Small Hydro Electric Project and 5 MW Phuliabagar Small Hydro Electric Project, in the State of Uttarakhand. DPR for both the projects have been approved.

**iv) Sarju Valley Hydel Projects Co. Private Limited**

The Company is executing 5.5 MW Balighat Small Hydro Electric Project in the State of Uttarakhand. DPR for the project has been approved.

**v) Arunachal Hydro Power Limited**

The Company is executing 12 hydro electric projects in the State of Arunachal Pradesh through its following subsidiaries having aggregate capacity of 555 MW (approx.), which may vary on finalization of Detailed Project Report (DPR) :

1. EDCL – Seppa Beyond Hydro Electric Private Limited
2. EDCL – Seppa Kawa Power Private Limited
3. EDCL – Tawang Lower Tsachu Hydro Electric Private Limited
4. EDCL – Tawang Upper Tsachu Hydro Electric Private Limited
5. EDCL – Seppa Nire Hydro Electric Private Limited
6. EDCL – Seppa Jung Power Private Limited
7. EDCL – Tawang Power Private Limited
8. EDCL – Seppa Pachuk Power Private Limited
9. EDCL – Seppa Dunkho Hydro Electric Private Limited
10. EDCL – Seppa Lada Hydro Electric Private Limited
11. EDCL – Seppa Riang Power Private Limited
12. EDCL – Seppa Marjingla Hydro Electric Private Limited

DPR is at various stages of preparation / approval. The total expenses for these projects in the State of Arunachal Pradesh as on 31.03.2015 is ₹ 2,030,928,570/- Besides these, Arunachal Hydro Power Limited is also having one more wholly owned subsidiary viz. EDCL – Arunachal Hydro Projects Private Limited, which is yet to take up any project.

There has been no material change in the nature of the business of the subsidiaries.

The Company has also formulated a Policy for Determining 'Material' Subsidiaries in line with the requirement of Listing Agreement. The said Policy may be accessed at [http://www.edclgroup.com/codes\\_policies/policy\\_determining\\_subsiadiary.pdf](http://www.edclgroup.com/codes_policies/policy_determining_subsiadiary.pdf).

The Consolidated Financial Statements (CFS) of the Company and its subsidiaries, prepared in accordance with Accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, form part of this Annual Report.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached with this Report and annexed as **Annexure "F"**.

Pursuant to the provisions of section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company. Further, Shareholders desirous of obtaining the report and accounts of the Company's subsidiaries may obtain the same upon request.

**DIRECTORS**

The Board of Directors comprises of eight Non-Executive Directors having experience in varied fields and a Whole-



time Director. Out of eight Non-Executive Directors, five of them are Independent Directors. Detailed information on Directors is provided in the Report on Corporate Governance marked as **Annexure "B"**.

None of the Independent Directors are due for re-appointment except Mr. Bijay Kumar Garodia (DIN : 00044379) who had been appointed as an Additional Director (Independent) on 13.11.2014. In pursuance of Section 161 of the Companies Act, 2013, he shall cease to be a Director of the Company from the conclusion of the ensuing Annual General Meeting. Notice under section 160 of the Companies Act, 2013 has been received from a shareholder signifying his intention to propose the name of Mr. Bijay Kumar Garodia, as Director of the Company.

Mr. Amar Singh (DIN : 00165567), Director, retires by rotation and being eligible offers himself for re-appointment.

The brief resume and other details relating to Mr. Amar Singh and Mr. Bijay Kumar Garodia are provided in the Notice of Annual General Meeting forming part of this Annual Report.

Your Board has also received Form 'DIR-8' pursuant to Section 164(2) of the Companies Act, 2013 read with the Companies (Appointment & Disqualification of Directors) Rules, 2014 from the aforementioned Directors confirming that they have not incurred any disqualification under Section 164(2) of the Companies Act, 2013. Your Board recommends their appointment / re-appointment.

### **Nomination and Remuneration Policy**

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. The Board has approved the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The Nomination and Remuneration Policy is annexed to the Directors' Report as **Annexure "G"** and may be accessed at [http://www.edclgroup.com/codes\\_policies/nomination\\_remuneration\\_policy.pdf](http://www.edclgroup.com/codes_policies/nomination_remuneration_policy.pdf).

### **Declaration by Independent Directors**

The Company has received necessary declaration from all Independent Directors under section 149(7) of the Companies Act, 2013, confirming that they meet the criteria of independence as prescribed in section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### **Familiarisation Programme for Independent Directors**

Every new Independent Director of the Board attends an orientation program. The Executive Director / senior managerial personnel make presentations to the inductees about the Company's strategy, projects, operations, organizational structure, finance, human resources, technology, facility and risk management etc.

Further, at the time of appointment, the Company issues a formal letter of appointment outlining his role, functions, duties, responsibilities as a Director.

The Policy on the Company's Familiarisation Programme for Independent Directors may be accessed at [http://www.edclgroup.com/codes\\_policies/familiarization\\_programme\\_independent\\_directors.pdf](http://www.edclgroup.com/codes_policies/familiarization_programme_independent_directors.pdf).

### **Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholders Relationship Committees. A discussion was done considering the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the board and committees are usually carried out on the basis of questionnaires devised in house.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on the basis of questionnaire, devised for this purpose. The performance evaluation of the





Independent Directors was carried out by the entire Board (excluding the Director being evaluated). The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Non - executive Directors. The Directors expressed their satisfaction with the evaluation process.

#### **Criteria for Performance Evaluation of Independent Directors**

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Non-Executive Directors, which is given in the Nomination and Remuneration Policy marked as **Annexure "G"**.

#### **BOARD AND COMMITTEE MEETINGS**

The Board met 6 times during the financial year under review. For further details of Board and Committee meetings, kindly refer the Report on Corporate Governance Report marked as **Annexure "B"**.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 with regard to the Directors' Responsibility Statement, your Board confirms that :

- a) in the preparation of the annual accounts for the financial year ended on 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit / loss of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;
- f) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.

#### **KEY MANAGERIAL PERSONNEL**

The following persons are Key Managerial Personnel :

**Whole-time Director** : Mr. Sanjeev Saraf – designated as "Executive Director".

**Chief Financial Officer** : Mr. Amit Damani.

Mr. Nathmal Modi was Chief Financial Officer (CFO) of the Company from 01.04.2014 till 30.09.2014. Upon his resignation, the Board appointed Mr. Amit Damani as CFO w.e.f. 01.03.2015.

**Company Secretary** : Ms. Vijayshree Binnani – designated as Deputy Company Secretary.

Mr. Prem Chand Kankaria resigned from the office of Company secretary (CS) w.e.f. 30.09.2014. Upon his resignation, the Board appointed Mr. Vivek Mishra as CS w.e.f. 01.10.2014. Mr. Vivek Mishra has resigned from the office of Company Secretary with effect from 12.05.2015. Ms. Vijayshree Binnani has been appointed as Deputy Company Secretary w.e.f. 28.05.2015.

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROL**

The Company has in place adequate internal financial control System commensurate with the size, scale and



complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

## **RISK MANAGEMENT**

The Company has formulated a Risk Management Policy (Risk Management Procedure) in consultation with Senior Management to identify various kinds of risk in business of the Company and its process to minimize the same. The details of various risks and its mitigation are provided in the Management Discussion and Analysis Report.

At present the Company has not identified any element of risk which may threaten the existence of the Company.

## **ESTABLISHMENT OF VIGIL MECHANISM**

The Company has formulated a Whistle Blower Mechanism and a Policy namely, Whistle Blower Policy that lays down the process for raising concern about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. The said Policy may be accessed at [http://www.edclgroup.com/codes\\_policies/whistle\\_blower\\_policy.pdf](http://www.edclgroup.com/codes_policies/whistle_blower_policy.pdf).

## **CORPORATE SOCIAL RESPONSIBILITY**

The Board of Directors has constituted a 'Corporate Social Responsibility Committee'. For composition and other details kindly refer to Corporate Governance Report.

Due to non-identification of appropriate projects and shortage of cash flow, the Company though having profits, could not spent requisite amount under Corporate Social Responsibility, as required under Section 135 of the Companies Act, 2013 read with Rules made thereunder. Therefore, annual report on CSR activities is annexed herewith as **Annexure "H"**. However, the Company has significantly contributed towards the Corporate Social Responsibility for the financial year 2015-16.

The Corporate Social Responsibility (CSR) Policy can be accessed at [www.edclgroup.com](http://www.edclgroup.com) under the 'Investor Information' section.

## **LOAN, GUARANTEES AND INVESTMENTS**

Particulars of loans, investments and guarantees have been disclosed in the financial statements.

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated Persons which may have a potential conflict with the interest of the Company at large. Accordingly, no transaction are being reported in Form AOC- 2 in terms of Section 134 of the Company Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

All related party transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen in repetitive nature. The Company has developed a Related Party Transactions Policy for purpose of identification and monitoring of such transactions.

## **AUDITORS AND AUDITORS' REPORT**

### **(i) Statutory Auditors**

At the 19th Annual General Meeting held on 18th September 2014, M/s. Lodha & Co., Chartered Accountants, were appointed as the Statutory Auditors of the Company to hold office till the conclusion of 22nd Annual



General meeting to be held in the year 2017, subject to ratification of their appointment at 20th and 21st Annual General Meeting. In this regard, the Company has received a certificate from the Auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013

The Auditors' Report to the members on the Accounts of the Company for the financial year ended on 31st March, 2015 does not contain any qualification.

**(ii) Cost Auditors**

The Board of Directors has re-appointed M/s. N. Radhakrishnan & Co., Cost Accountant, of 11A, Dover Lane, Flat B1/34, Kolkata – 700 029 as the Cost Auditors of the Company to conduct Cost Audit for the financial year 2014 - 2015. The Cost Audit Report for the financial year 2013-14 has been filed with the Ministry of Corporate Affairs within due time.

**(iii) Secretarial Auditor**

The Board of Directors has appointed CS Ashok Kumar Daga, Practicing Company Secretary to conduct the secretarial audit of the Company for the financial year 2014-15.

The Secretarial Audit Report for the financial year ended on 31st March, 2015 is annexed herewith as **Annexure "I"** to the Board's Report and forms part of this Annual Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure "J"** and forms an integral part of this Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars in respect of conservation of energy and technology absorption etc. are given in **Annexure "K"**, attached hereto and forms an integral part of this Report.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT – 9 is annexed herewith as **Annexure "L"**.

**GENERAL**

The Directors state that no disclosure or reporting is required in respect of the following items during the year under review as :

1. No Deposits covered under Chapter V of the Companies Act, 2013 were accepted;
2. No equity shares with differential rights as to dividend, voting or otherwise; or shares (including sweat equity shares) to employees of the Company under any scheme were issued;
3. No remuneration or commission to the Whole-time Director of the Company were paid from any of its subsidiaries;
4. No significant and material orders were passed by any regulatory authority or courts or tribunals impacting the going concern status and Company's operation in future;
5. No material changes and commitments occurred after the close of the year till the date of this Report, which affect the financial position of the Company.



**ACKNOWLEDGEMENTS**

Your Directors express their sincere appreciation to the Central and State Governments, Banks, customers, vendors and the Company's valued investors for their continued co-operation and support.

Your Directors also wish to acknowledge the support and valuable contributions made by the employees, at all levels.

For and on behalf of the Board  
For **Energy Development Company Limited**

Place : New Delhi

Dated : 14th August, 2015

Sd/-  
**Amar Singh**  
**(Chairman)**



**ANNEXURE - 'A'**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**  
FOR THE FINANCIAL YEAR 2014-15

**A. INDUSTRY STRUCTURE AND DEVELOPMENT**

India has a total power generation capacity of 271,722.17 MW as on 31.03.2015. Major source of such generation are from coal, lignite, natural gas, oil, hydro and nuclear power and renewable sources like wind, solar, agriculture and domestic waste.

According to the data published in May 2015, by Power Reactor Information System (PRIS) of International Atomic Energy Agency (IAEA), India lies in the Twelfth position in terms of power generation in the world. Out of the total Generation State Governments account for about 35%, Central Sectors account for 27% and private sectors account for 38%.

Out of the total generation of power of 271,722.17 MW, thermal contributed about 70%, hydro contributed about 15%, small hydro power, biomass, urban and industrial waste, wind energy and solar power contributed about 13% and nuclear contributed 2%.

During the year 2014-15, India's per capita electricity consumption, was 1010 kWh compared with 957 kWh in 2013-14. India's per capita power consumption is among the lowest in the world. China has a per capita consumption of 4,000 kWh, with developed nations averaging around 15,000 kWh per capita.

The studies carried out for anticipated power supply position for the year 2015-16 indicate that there would be energy shortage of 2.1% and peak shortage of 2.6% in the country during year 2015-16.

It may be seen that except Western and Eastern Region, other three regions would face energy shortage varying from 0.4% in the Northern Region to 11.3% in the North-Eastern Region and Southern Region each. The peaking shortages of 0.4%, 19.8% and 4.0% are likely to prevail in the regions of Northern, Southern and North-Eastern Region respectively. Western and Eastern Regions are expected to have peak surpluses in the range of 3.7% and 4.6% and energy surplus of 3.3% and 2.0% respectively.

Source: <http://pib.nic.in> & <http://www.cea.nic.in>

Ministry of New and Renewable Energy has been vested with the responsibility of developing Small Hydro Power (SHP) projects up to 25 MW station capacities. The estimated potential for power generation in the country from such plants is over 20,000 MW. Most of the potential is in Himalayan States as river-based projects and in other States on irrigation canals. The SHP program is now essentially private investment driven. Projects are normally economically viable and private sector is showing lot of interest in investing in SHP projects. The viability of these projects improves with increase in the project capacity. The Ministry's aim is that at least 50% of the potential in the country is harnessed in the next 10 years.

**Hydro Power Project**

Hydro power projects are generally categorized in two segments i.e. small and large hydro. In India, hydro projects up to 25 MW station capacities have been categorized as Small Hydro Power (SHP) projects. While Ministry of Power, Government of India is responsible for large hydro projects, the mandate for the subject small hydro power (up to 25 MW) is given to Ministry of New and Renewable Energy. Small hydro power projects are further classified as

<b>Class</b>	<b>Station Capacity in kW</b>
Micro Hydro	Up to 100
Mini Hydro	101 to 2000
Small Hydro	2001 to 25000



### Small Hydro Power Programme

Small Hydro Power (SHP) Program is one of the thrust areas of power generation from renewable in the Ministry of New and Renewable Energy. It has been recognized that small hydropower projects can play a critical role in improving the overall energy scenario of the country and in particular for remote and inaccessible areas. The Ministry is encouraging development of small hydro projects both in the public as well as private sector. Equal attention is being paid to grid-interactive and decentralized projects.

**Aim :** The Ministry's aim is that the SHP installed capacity should be about 7000 MW by the end of 12th Plan. The focus of the SHP programme is to lower the cost of equipment, increase its reliability and set up projects in areas which give the maximum advantage in terms of capacity utilization.

**Potential:** An estimated potential of about 20,000 MW of small hydro power projects exists in India. Ministry of New and Renewable Energy has created a database of potential sites of small hydro and 6,474 potential sites with an aggregate capacity of 19,749.44 MW for projects up to 25 MW capacity have been identified.

The Administrative Approval for the year 2014-15 and remaining period of 12th Plan for Small Hydro Power Programme (upto 25 MW Capacity) has already been circulated vide letter no. 14(03)2014-SHP dated 2nd July 2014. Under the SHP Programme Central Financial Assistance is provided for:

- A) Resource Assessment and Support for Identification of new sites
- B) Setting up new SHP Projects in the private / co-operative / Joint sector etc
- C) Setting up new SHP Projects in the Government sector
- D) Renovation and Modernisation of existing SHP projects in the Government sector
- E) Development/upgradation of Water Mills (mechanical/electrical output) and setting up MicroHydel Projects (upto 100 KW capacity)
- F) Research & Development and Human Resource Development.

**Manufacturing Status :** There are about 27 Equipment Manufacturers (As on 31.01.2015) of Small Hydro Power Turbine who fabricate almost the entire range and type of SHP equipment listed in MNRE. Manufacturers' capacity is estimated at about 400 MW per year.

Source: <http://www.mnre.gov.in/schemes/grid-connected/small-hydro/>

## B. SWOT ANALYSIS

### i) Strengths :

Energy Development Company Limited (EDCL) has wide experience and expertise in execution of hydro power projects which gives it a significant competitive advantage. The team of EDCL is supported by eminent consultants. The Company is in the process of developing / executing several hydro power projects through its subsidiaries in remote areas of the country which comes with a range of challenges – logistical, climatic and technological. However, with its strong and efficient team of competent and experienced professionals, most of the hurdles have been mitigated.

Long term power purchase agreement with the State Utilities confirms the sale of entire generation of electricity, as a result all projects under operation so far have PPA with State Utilities, and payments are received on time.

### ii) Opportunities :

The deteriorating hydro-thermal mix, increase in peak hour shortages and frequency variations have forced policymakers to turn their attention towards water resources and on developing hydropower.



Besides India's huge untapped hydro potential, especially in the hilly region, with the focus shifting to hydropower, EDCL now has opportunities to add to its capacity in the coming years.

**iii) Threats/Weakness :**

The management of EDCL perceives the following as threats / risks / weaknesses in the construction of hydropower projects:

**Time in clearances :** Stringent norms and cumbersome procedures for getting environmental and forest clearances leads to delays in obtaining clearances for projects, which may affect the capacity addition programmes.

**Land acquisition :** The process of land acquisition for infrastructure work as well as for a project's components including submergence is quite cumbersome and time consuming.

**Geological uncertainties :** In spite of extensive surveys and investigations, various components of hydro projects such as head race tunnels, power houses, pressure shafts and surge shafts face geological surprises especially in the hilly region.

**Inter-state and International disputes :** As water is a state subject in India, there are often inter-state river disputes due to which many hydro projects may get delayed or abandoned. Certain projects are situated in border areas which affect India's international relations.

**Natural calamities :** As most of the hydro projects are located in hilly terrains, natural calamities like land slides, hill slope collapses and road blocks, floods and cloud bursts cause severe setbacks in construction schedules.

**Unexpected complexities :** Unexpected complexities and delays in clearances/execution due to reasons beyond one's control may cause variation/escalations in estimates.

**iv) Risks and Concerns :**

Hydropower schemes are capital intensive, have long gestation period and require huge investments which are major constraints in the exploitation of the vast hydropower potential available in the country. Since water is a state subject, state governments are demanding a higher share of free power and other incentives, which lead to higher tariffs.

## C. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company has two divisions namely, generation division and contract division. In comparison to previous year, the generation division could not perform well due to poor monsoon during the year under review.

### Generation Division :

During the financial year 2014-15, total revenue generated from this division is ₹ 134,911,400/- (Previous year ₹ 172,677,964/-). The Company owns and operates from the following power plants:

#### I. Hydro Electric Power Projects

- i) 9 MW Harangi Hydro Electric Power Plant in the State of Karnataka; and
- ii) 6 MW Harangi Hydro Electric Power Plant in the State of Karnataka.

#### II. Wind Mills

- i) 1.5 MW Wind mill at Hassan District in the State of Karnataka; and
- ii) 1.5 MW Wind Mill at Chitradurga in the State of Karnataka.

**Saleable electricity generated from the :**

**Hydro Power Plants :** 32.13 million units (previous year 41.93 million units)

**Wind Mills :** 5.82 million units (previous year 6.86 million units)

The Company also owns and operate 7 MW Ullankal Hydro Electric Power Project, through its subsidiary, EDCL Power Projects Limited and produced 20.82 million units during the year 2014-15 as compared to 23.63 million units in 2013-14.

The Company also owns and operates 15 MW Karrikayam Hydro Electric Power Project, through its subsidiary, Ayyapa Hydro Power Limited. The first phase of the Project (10.5 MW) was commissioned on 1st October, 2013 and has produced 27.20 million units during the year 2014-15.

The Company is also developing and executing various hydro power projects through its several wholly owned subsidiaries, details whereof is given in the Directors' Report.

**Contract Division :** Infrastructure development in India is growing everyday, in order to tap this lucrative opportunity, your Company has participated and executing various infrastructure related projects like bridges, hydro projects and consultancy service etc. During the year under review the division has earned gross revenue of ₹ 82,715,798/- (previous year ₹ 214,818,778/-). The Company has not participated in any tender for allotment of any new project and is concentrating on completion of existing Projects.

**D. OUTLOOK**

Your Company's main focus area is the generation of electricity and infrastructure development by way of contract or own projects. The Company is setting up and executing various hydro power plants at Arunachal Pradesh & Uttarakhand which are at various stages of planning, development. Details of the said projects are provided in the Directors Report.

**E. INTERNAL CONTROL SYSTEM**

Company's internal control system have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies.

The Company has re-appointed a firm of Chartered Accountants, M/s. SRB & Associates to carry out internal audit of the Company. The Internal Audit process is designed to review the adequacy of internal control and checks in the system and covers all significant areas of the Company's operations.

The Company has an Audit Committee, the details of which have been provided in the Corporate Governance Report. The Audit Committee reviews Audit Reports submitted by the Internal Auditors.

**F. FINANCIAL PERFORMANCE**

The net profit before tax stood at ₹ 13,902,386/- (Previous year - ₹6,483,161/-). The detailed performance is given in the financial results in the Directors' Report.

**G. HUMAN RESOURCES**

The company regards its human resources as the most valuable assets. The Company strives to provide a fair,





empowered and merit-based workplace with scope for continuous learning, enriching competencies among employees and accelerating corporate growth. During the year under review, the Company did not witness any kind of adverse development on the HR front. The Company has always aimed towards attracting and retaining talent in its various functions.

The Company also took initiatives to manage the growing human resource base including a regularized recruitment process, a fair and unbiased performance appraisal system along with an in-built feedback system.

#### **H. CAUTIONARY STATEMENT**

Statements in this Management Discussion and Analysis Report may be “forward looking statements” within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important facts that could make a difference to the Company’s operations include economic conditions affecting global and domestic demand-supply, raw-material costs and availability, changes in Government regulations, tax regimes, economic developments in India and other factors such as litigation and industrial relations, the Company assumes no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent developments, information or events. The Company also does not assume any responsibility on the accuracy of statements relating to industry structure and development, as it has been sourced from various available websites.



## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31.03.2015

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company strongly believes that sound principles of Corporate Governance are important key to success, as they enhance the ability to secure the confidence of its stakeholders. The Company's Corporate Governance initiative is based on three core principles:

- (i) Management must have the executive freedom to drive the enterprise forward without undue restraints.
- (ii) This freedom of management should be exercised within a frame work of effective accountability.
- (iii) Open, transparent and merit based Management.

### 2. BOARD OF DIRECTORS

#### (i) Composition

As on 31st March, 2015, the Company has nine Directors. Of the nine Directors, eight (88.89%) are Non-Executive Directors and five (i.e. 55.56%) are Independent Directors. The Company also has a woman Director and the Chairman of the Board is a Non-Executive-Promoter Director. Therefore, the composition of Board is in conformity with Clause 49 of the Listing Agreement entered into with Stock Exchanges.

#### (ii) Information supplied to the Board

During the year 2014-15, information as mentioned in Annexure X to the Clause 49 of the Listing Agreement were placed before the Board from time to time.

#### (iii) Board Meetings

The Board of Directors met six times during the year. The maximum time gap between any two consecutive meetings did not exceed four months. The dates of the Board meetings along with attendance of the Directors are as under:-

Sl. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	29.05.2014	7	5
2.	11.08.2014	8	6
3.	18.09.2014	8	4
4.	13.11.2014	9	6
5.	11.02.2015	9	7
6.	17.03.2015	9	5

#### (iv) Meeting of Independent Directors

Meeting of Independent Directors was held on 11.02.2015 to review the performance of Non-Independent Directors and the Board as a whole, review the performance of Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the Management and the Board. There were 4 members out of 5 present in the meeting.

#### (v) Familiarisation Programme for Independent Directors

The details of 'Familiarisation Programme for Independent Directors' has been given in the Directors' Report.

**(vi) Directors' attendance record and Directorship held**

None of the members of the Board is holding membership of more than 10 Committees and Chairmanship of more than 5 Committees across all the companies in which he / she is a Director. All the Directors have made the necessary disclosures regarding their occupation in the Committee positions of other companies. The details of the Directors' attendance record at the Board Meetings and at the last Annual General Meeting, their Directorship and Committee membership in other Companies held during the year under review are given below: -

Sl. No.	Name of Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM held on 18.09.2014	No. of Directorship in the Board of other Companies as on 31.03.2015	No. of Membership held in Committees of Board of other Companies as on 31.03.2015*	No. of Chairmanship held in Committees of Board of other Companies as on 31.03.2015*
1.	Mr. Amar Singh	Promoter & Non-Executive Chairman	4	No	10 (including 3 Private Ltd. Cos.)	Nil	Nil
2.	Mrs. Pankaja Kumari Singh	Promoter & Non-Executive Director	1	No	6	Nil	Nil
3.	Mr. Sanjiv Saraf	Executive Director	5	Yes	12 (including 3 Private Ltd. Cos.)	1	Nil
4.	Mr. Sanjay Kumar Gupta	Non-Executive Director	6	Yes	2 (both Private Ltd. Cos.)	Nil	Nil
5.	Mr. Gouri Prasad Goenka	Independent Non-Executive Director	1	No	5	Nil	Nil
6.	Mr. Tarun Chaturvedi	Independent Non-Executive Director	6	Yes	11 (including 2 Private Ltd. Cos.)	Nil	2
7.	Mr. Vijoy Kumar	Independent Non-Executive Director	5	Yes	3 (including 1 Private Ltd. Co.)	1	Nil
8.	Mr. Anil Gupta#	Independent Non-Executive Director	3	No	18 (including 10 Private Ltd. Cos.)	2	Nil
9.	Mr. Bijay Kumar Garodia#	Independent Non-Executive Director	2	N.A.	11 (including 5 Private Ltd. Cos.)	2	Nil

\* As per clause 49 of the Listing Agreement, only two Committees viz. Audit Committee and Stakeholders Relationship Committee have been considered for this purpose.

# Mr. Anil Gupta and Mr. Bijay Kumar Garodia came on the Board of Company w.e.f. 11.08.2014 and 13.11.2014 respectively.



### 3. COMMITTEES OF THE BOARD

#### (i) Audit Committee

There has been change in the composition of the Audit Committee on 18.09.2014. Mr. Tarun Chaturvedi, Chairman of the Audit Committee, being a Chartered Accountant by profession, is knowledgeable in areas of finance, accounts, company law and has vast experience in corporate affairs. All the members of the Committee are eminent professionals and draw upon their experience and expertise across a wide spectrum of functional areas such as finance, information systems, engineering and corporate strategy. The Committee met five times during the year, viz. 29.05.2014, 11.08.2014, 18.09.2014, 13.11.2014 and 10.02.2015.

The composition and categories of the members of the Audit Committee and their attendance at the Committee Meetings held during the financial year is given below:

Names of the Director	Category	No. of Committee Meetings attended
Mr. TarunChaturvedi <sup>(1)</sup>	Chairman; Independent, Non-Executive Director	5
Mr. SanjivSaraf	Member; Executive Director	5
Mr. Vijoy Kumar	Member; Independent, Non-Executive Director	5
Mr. Anil Gupta <sup>(2)</sup>	Member; Independent, Non-Executive Director	1
Mr. Sanjay KumarGupta <sup>(3)</sup>	Non-Executive Director	3

(1) Appointed as the Chairman of the Committee w.e.f. 18.09.2014.

(2) Inducted as the member of the Committee w.e.f. 18.09.2014.

(3) Ceased to be a member of the Committee w.e.f. 18.09.2014 on becoming Non-Independent Director.

Company Secretary is the Secretary of the Committee. The then Chairman of the Audit Committee was present at the last Annual General Meeting.

#### The terms of reference of the Audit Committee includes the following :

- a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to :
  - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv) Significant adjustments made in the financial statements arising out of audit findings;
  - v) Compliance with listing and other legal requirements relating to financial statements;



- vi) Disclosure of any related party transactions;
- vii) Qualifications in the draft audit report.
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with internal auditors of any significant findings and follow up there on;
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) To review the functioning of the Whistle Blower mechanism, if any;
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**The Company is having systems and procedures in place to ensure that the Audit Committee mandatorily reviews :**

- i) Management discussion and analysis of financial condition and results of operations;
- ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv) Internal audit reports relating to internal control weaknesses; and
- v) The appointment, removal and terms of remuneration of the internal auditors.



**The Audit Committee is also apprised on information with regard to :**

- (i) Related party transaction (whether or not in normal course of business and transactions not at arm's length); where money is raised through an issue (public issue, right issue, preferential issue etc.); periodical disclosures regarding use of funds by major category and on annual basis a statement of funds utilized for purpose other than those specified in the notice or offer document.
- (ii) **Stakeholders Relationship Committee**

The Stakeholders Relationship Committee met Four (4) times during the year, viz. 26.05.2014, 10.08.2014, 13.11.2014 and 07.02.2015.

**The composition and categories of the members of the Stakeholders Relationship Committee and their attendance record at the Committee Meetings held during the financial year is given below :**

Names of the Director	Category	No. of Committee Meetings attended
Mrs. Pankaja Kumari Singh	Chairperson; Promoter & Non-Executive Director	4
Mr. Amar Singh <sup>(1)</sup>	Member; Promoter & Non-Executive Chairman	3
Mr. Sanjiv Saraf	Member; Executive Director	4
Mr. Vijoy Kumar <sup>(2)</sup>	Member; Independent, Non-Executive Director	1

(1) Ceased to be a member of the Committee w.e.f. 13.11.2014.

(2) Inducted as the member of the Committee w.e.f. 13.11.2014.

**The role / terms of reference of Stakeholders Relationship Committee includes :**

- Transfer / Transmission of shares;
- Issue of Duplicate share certificates;
- Dematerialisation / Rematerialisation of Shares;
- Redressal of Investors' grievance;
- Non receipt of Annual Report and Dividend;
- All other incidental matters with respect to Shareholders and other Investors.

Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India.

**Status of Complaint Received and Pending :**

Number of Complaints From 01.04.2014 to 31.03.2015			
Pending as on 01.04.2014	Received	Redressed	Pending as on 31.03.2015
Nil	Nil	Nil	Nil

(iii) **Nomination and Remuneration Committee**

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement as amended from time to time.



The composition and categories of the members of the Nomination and Remuneration Committee and their attendance record at the Committee Meetings held during the financial year is given below :

Names of the Director	Category	No. of Committee Meetings attended
Mr. Vijoy Kumar <sup>(1)</sup>	Chairman, Independent Director	5
Mr. Tarun Chaturvedi	Member; Independent Director	5
Mr. Sanjay Kumar Gupta	Member; Non-Executive Director	5

(1) Appointed as the Chairman of the Committee w.e.f. 18.09.2014.

**The role / terms of the Nomination and Remuneration Committee, inter-alia, includes the following :**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Reviewing and determining all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;
- Reviewing and determining details of fixed component and performance linked incentives along with the performance criteria;
- Reviewing and determining service contracts, notice period, severance fees;
- Reviewing and determining stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable;
- Evaluating performance of each Director and performance of the Board as a whole.

The Committee met five (5) time during the year, viz. on 29.05.2014, 11.08.2014, 18.09.2014, 13.11.2014 and 10.02.2015 .

#### **Nomination and Remuneration Policy**

The details of Nomination and Remuneration Policy has been given in the Directors' Report.

#### **Performance Evaluation**

The details of performance evaluation has been given in the Directors' Report.

#### **Remuneration to Executive Director**

Mr. Sanjiv Saraf was re-appointed as the Executive Director of the Company w.e.f. 01.04.2014 for a further period of 3 (three) years by the Board and also by the approval of the members at the 19th Annual General Meeting held on 18.09.2014.

**Details of remuneration paid to Executive Director for the year ended on 31st March, 2015 is given herein below :**

Name of Director	Salary (₹)	Incentive (₹)	Allowances & Perquisites# (₹)	Total (₹)	Number of Shares held
Mr. Sanjiv Saraf	30,00,000	6,00,000	12,59,600	48,59,600	10,000

# includes house rent allowance.

The terms of employment of the Executive Director stipulates a termination notice of 180 days from either side.



### Remuneration to Non-Executive Directors

Details of remuneration paid to Non-Executive Directors for the year ended on 31st March, 2015 is given herein below :

Name of Director	Sitting Fees* (₹)	Commission	Total (₹)	Number of Shares held (₹)
Mr. Amar Singh	1,10,000	NIL	1,10,000	14,58,453
Mrs. Pankaja Kumari Singh	60,000	NIL	60,000	4,68,938
Mr. Gouri Prasad Goenka	20,000	NIL	20,000	NIL
Mr. Sanjay Kumar Gupta	2,20,000	NIL	2,20,000	6,000
Mr. Tarun Chaturvedi	2,40,000	NIL	2,40,000	NIL
Mr. Vijoy Kumar	2,10,000	NIL	2,10,000	NIL
Mr. Anil Gupta	50,000	NIL	50,000	NIL
Mr. Bijay Kumar Garodia	40,000	NIL	40,000	NIL

Payment to Non-Executive Directors have been made, based on the number of Board and / or Committee meetings attended by them. Non-Executive Directors receive only sitting fees as remuneration.

### Directors with pecuniary relationship or business transaction with the Company

The Executive Director receives salary, allowances, perquisites and commission while all Non-Executive Directors receive sitting fees. During the year the Company did not advance any loans to any of its Directors. No Stock Options have been issued to any of the Directors of the Company. The Company does not have any Convertible Warrant as on 31st March, 2015.

### (iv) Corporate Social Responsibility Committee

The Board of Directors, during the year constituted "Corporate Social Responsibility Committee" (CSR Committee) as required under section 135 of the Companies Act, 2013. The Committee formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved and adopted by the Board.

The Committee met Two (2) times during the year, viz. 13.11.2014 and 10.02.2015.

The composition and categories of the members of the Corporate Social Responsibility Committee and their attendance record at the Committee Meetings held during the Year is given below :

Names of the Director	Category	No. of Committee Meetings attended
Mr. Sanjay Kumar Gupta	Chairman; Non-Executive Director	2
Mr. Sanjiv Saraf	Member; Executive Director	2
Mr. Tarun Chaturvedi	Member; Independent Director	2



**The broad terms of reference of the CSR Committee are as under :**

- a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act or may be prescribed by the rules thereto;
- b) Recommend the amount of expenditure to be incurred on the activities referred to in the above clause;
- c) Monitor the CSR Policy of the Company from time to time; and
- d) Any other matter as the CSR committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

**4. RISK MANAGEMENT**

The Company has formulated a Risk Management Policy in consultation with Senior Management to identify various kinds of risk in business of the Company and its process to minimize the same. For further details, kindly refer to Directors' Report.

**5. COMPLIANCE REPORT**

The Board periodically reviews compliance report of all laws applicable to the Company, prepared by the Company Secretary as well as steps taken by the Company to rectify instances of non-compliances, if any.

**6. GENERAL BODY MEETINGS**

- (i) Location, date and time of the Annual General Meetings held during the preceding 3 years and the special resolutions passed there at are as follows :

Year	Location	Date and time	Special Resolutions Passed
2012	Harangi Hydro Electric Project Vill. – Hulugunda Taluka – Somawarpet Dist. – Kodagu, Karnataka – 571 233	08.09.2012 at 2:00 P.M.	None
2013	Harangi Hydro Electric Project Vill. – Hulugunda Taluka – Somawarpet Dist. – Kodagu Karnataka – 571 233	12.09.2013 at 11:45 A.M.	None
2014	Harangi Hydro Electric Project Vill. – Hulugunda Taluka – Somawarpet Dist. – Kodagu, Karnataka – 571 233	18.09.2014 at 01:30 P.M.	i) To appoint Mr. Tarun Chaturvedi as an Independent Director; ii) To appoint Mr. Vijoy Kumar as an Independent Director; iii) To appoint Mr. Gouri Prasad Goenka as an Independent Director; iv) To appoint Mr. Anil Gupta as an Independent Director; v) To re-appoint Mr. Sanjiv Saraf as Executive Director.

- (ii) Location, date and time of the Extra Ordinary General Meeting : No Extra-ordinary General Meeting was held during the year 2014-15.
- (iii) Postal Ballot: No special resolution through postal ballot has been passed during the year 2014-15.
- (iv) In accordance with the law, a poll (electronically and by physical ballot) was conducted on all the resolutions of the Notice. All the members were given an option to vote through electronic means using the CDSL platform.



## 7. DISCLOSURES

### (i) Related Party Transactions

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provision of Section 188 of the Companies Act, 2013. Again, there were no material significant transactions with the related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by the Accounting Standards (AS 18) has been made in the notes to the Financial Statements. The Board has approved a Policy For Related Party Transactions which may be accessed at [http://www.edclgroup.com/codes\\_policies/policy\\_related\\_party\\_transaction.pdf](http://www.edclgroup.com/codes_policies/policy_related_party_transaction.pdf).

### (ii) Accounting Treatment

The Company has followed the Accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 in preparation of its financial statements.

### (iii) Compliance of various Laws

There were no instances of non-compliance by Company of any requirements of the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets during the last three years.

### (iv) Whistle Blower Policy

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy may be accessed at [http://www.edclgroup.com/codes\\_policies/whistle\\_blower\\_policy.pdf](http://www.edclgroup.com/codes_policies/whistle_blower_policy.pdf).

### (v) Anti-Sexual Harassment Policy

The Company has adopted Anti-Sexual Harassment Policy, covering all the aspects as contained under the 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013'.

Up till date, the Company has not received any complaint under the Policy.

### (vi) Prevention of Insider Trading

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 the Company has adopted the 'Code of Conduct for Regulating & Reporting Trading by Insiders and For Fair Disclosure, 2015' with a view to regulate trading in securities by the designated employees and connected persons. The said Code can be accessed at [http://www.edclgroup.com/codes\\_policies/ATT00007.pdf](http://www.edclgroup.com/codes_policies/ATT00007.pdf).

### (vii) Reconciliation of share capital audit

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

### (viii) CEO / CFO Certification

The Executive Director (CEO) of the Company have certified to the Board that all the requirement of the revised clause 49(V) of the listing agreement, inter alia, dealing with the review of financial statement and Cash Flow Statement for the year ended on 31st March, 2015, transactions entered into by the Company during the year, their responsibility for establishing and maintaining internal control system for financial reporting and evaluation of the effectiveness of the internal control system and making of necessary disclosure to the Auditors and the Audit Committee have been duly complied with.



**(ix) Code of Conduct**

The Board of Directors has laid down Code of Conduct for the non – executive Directors, executive Directors and the designated employees in the senior management. The said code may be accessed at [http://www.edclgroup.com/codes\\_policies/code\\_of\\_conduct\\_corporate\\_governance.pdf](http://www.edclgroup.com/codes_policies/code_of_conduct_corporate_governance.pdf). All the Board members and the senior management executives have affirmed compliance with the code of conduct. A declaration to this effect signed by Mr. Sanjiv Saraf, Executive Director is annexed as **Annexure "C"** and form part of this report.

**8. SUBSIDIARY AND ASSOCIATE COMPANIES**

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board.

The Company has two material non-listed subsidiary companies namely, Ayyappa Hydro Power Limited and EDCL Power Projects Limited. The Company's Policy for determining 'Material' Subsidiaries may be accessed at [http://www.edclgroup.com/codes\\_policies/policy\\_determining\\_subsidary.pdf](http://www.edclgroup.com/codes_policies/policy_determining_subsidary.pdf).

For further details, kindly refer to Directors' Report.

**9. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF NON-MANDATORY REQUIREMENTS**

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance. The Company has not adopted the non-mandatory requirements of the Listing Agreement.

**10. MEANS OF COMMUNICATION**

**(i) Quarterly Results**

The quarterly results are published in the newspapers and are not being sent to the individual shareholders.

**(ii) Newspapers**

As per clause 41 of the Listing Agreement the Un audited Quarterly Results, for the quarter ended on 30.06.2014, 30.09.2014, 31.12.2014 and 31.03.2015 were published in the following newspapers :

The Financial Express – Bangalore and Mumbai Edition

Hosadigantha - (Kannada daily) – Bangalore Edition

**(iii) Website where results are displayed**

Full version of Annual Report including the Balance Sheet, Statement of Profit and Loss, Directors' Report, Corporate Governance Report, Auditors' Report, Cash Flow Statements, Half Yearly Financial Statements, Quarterly Financial Results and Quarterly Shareholding Pattern are available on the website of the Company – [www.edclgroup.com](http://www.edclgroup.com)

The official press releases are communicated to the National Stock Exchange of India Limited and Bombay Stock Exchange Limited where shares of the Company are listed.

Company Secretary is the Compliance Officer and is responsible for updating above mentioned information and the website of the Company with the requisite authorities.

There are no presentations made by the Company to any institutional investors or to any analyst.



## 11. GENERAL SHAREHOLDER INFORMATION

- (i) **Annual General Meeting** : The Annual General Meeting of the Company will be held on Tuesday, the 29th day of September, 2015 at Harangi Hydroelectric Project, Village – Hulugunda, Taluka – Somawarpet, Dist. – Kodagu, Karnataka – 571 233 at 01:30 P. M.
- (ii) **Financial Year** : From 1st April to 31st March
- (iii) **Book Closure Period** : 23.09.2015 to 29.09.2015 (both days inclusive).
- (iv) **Dividend Payment Date** : The 29th day of September, 2015.
- (v) **The Company's shares are listed in the following Stock Exchanges :**

**1. BOMBAY STOCK EXCHANGE LIMITED**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

**2. NATIONAL STOCK EXCHANGE OF INDIA LIMITED**

“Exchange Plaza”, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051

Note : Annual listing fee for the year 2015 - 2016 has been paid to the above Stock Exchanges.

(vi) **Depositories :**

- (i) National Securities Depository Ltd.

Trade World, 4th floor,

Kamala Mills Compound,

Senapati Bapat Marg, Lower Parel,

Mumbai – 400 013.

- (ii) Central Depository Services (India) Ltd.

Phiroze Jeejeebhoy Towers, 28th floor,

Dalal Street, Mumbai – 400 023.

The Company has not yet paid custodial fees for the year 2015 – 2016 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial accounts maintained by them as on 31st March, 2015 (due to non-issuance of bills from both the depositories).

(vii) **The Stock Code of the Company with the Stock Exchanges are as under :**

STOCK EXCHANGE	CODE
Bombay Stock Exchange	532219
National Stock Exchange	ENERGYDEV

(viii) **Demat ISIN Number : INE306C01019**



(ix) **Market Price Data :**

The details of trading at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), for the period from 01.04.2014 to 31.03.2015 are shown below :

MONTH	BSE SHARE PRICE		NSE SHARE PRICE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2014	18.15	15.00	17.95	15.00
May, 2014	31.20	15.55	31.35	15.00
June, 2014	31.80	23.20	31.90	22.85
July, 2014	26.00	18.80	26.00	18.70
August, 2014	22.00	16.75	22.00	16.70
September, 2014	21.15	16.55	21.45	16.70
October, 2014	20.65	16.85	20.45	16.80
November, 2014	24.00	17.70	24.90	18.00
December, 2014	22.75	16.85	23.05	17.10
January, 2015	20.75	17.30	22.80	17.25
February, 2015	20.45	16.60	21.50	16.30
March, 2015	20.05	14.70	20.00	14.55

As on the 31.03.2015 the closing price of the shares of the Company are ₹ 15.15 (in NSE) and ₹ 15.55 (in BSE).

(x) **Performance in comparison to BSE Sensex and NSE Nifty :**

DATE	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
	Company's Market Price (Close) Per share (₹)	Sensex points (Close)	Company's Market Price (Close) Per share (₹)	Nifty points (Close)
April 30, 2014	16.35	22417.80	16.30	6696.40
May 30, 2014	26.00	24217.34	25.75	7229.95
June 30, 2014	24.95	25413.78	25.00	7611.35
July 31, 2014	19.00	25897.97	18.70	7721.30
August 28, 2014	17.10	26638.11	16.75	7954.35
September 30, 2014	19.00	26630.51	18.65	7983.25
October 31, 2014	18.50	27865.83	18.90	8322.20
November 28, 2014	21.30	28693.99	23.25	8588.25
December 31, 2014	19.25	27499.42	19.20	8282.70
January 30, 2015	19.90	29182.95	19.90	8808.90
February 28, 2015	18.30	29361.50	18.10	8901.85
March 31, 2015	15.55	27957.49	15.15	8491.00

(xi) **Registrar and Share Transfer Agents :**

M/s Niche Technologies Pvt. Ltd.

D-511, Bagree Market, 5th floor,

71, B. R. B. Basu Road,

Kolkata – 700 001

(xii) **Exclusive E-mail ID for redressal of investor complaints :**

In terms of Clause 47(f) of the Listing Agreement, please use the following contact for redressal of Investor Complaints :

E-mail : secretarial@edclgroup.com

(xiii) **Share Transfer System**

Share transfer in physical form should be lodged at the office of the Registrar and Transfer Agent at the address given above or at the corporate office of the Company. Share transfers are normally effected within a maximum period of 30 days from the date of lodgment, if technically found to be in order and complete in all respect.

Dematerialisation of shares is processed normally within a period of 21 days from the date of receipt of Demat Request Form.

(xiv) **Distribution of Shareholding as on 31.03.2015 is as under :**

Shareholding Range No. of Shares			Number of Shareholders	% of Shareholders	Number of Shares	% of Shareholding
Upto	–	500	6,495	87.1111	8,57,193	3.1171
501	–	1,000	471	6.3171	3,82,321	1.3903
1,001	–	5,000	378	5.0697	8,21,606	2.9877
5,001	–	10,000	51	0.6840	3,59,976	1.3090
10,001	–	50,000	48	0.6438	9,59,226	3.4881
50,001	–	100,000	5	0.0671	2,94,849	1.0722
100,001	and	above	8	0.1073	2,38,24,829	86.6357
<b>TOTAL</b>			<b>7,456</b>	<b>100.0000</b>	<b>2,75,00,000</b>	<b>100.0000</b>

(xv) **Shareholding as on 31.03.2015 :**

Category	No. of Shares held	% of holding
Promoters	1,54,99,475	56.36
Financial Institutions, Insurance Co., Banks etc.	0	0
Corporate Bodies	90,70,297	32.98
Indian Public	27,54,991	10.02
Others	1,75,237	0.64
<b>TOTAL</b>	<b>2,75,00,000</b>	<b>100.00</b>



(xvi) **Dematerialization of Shares and Liquidity :**

The Shares of the Company has been dematerialized with NSDL and CDSL. As on 31.03.2015 2,60,17,347 shares (94.61%) has been dematerialized with NSDL and 14,40,347 shares (5.24%) with CDSL.

(xvii) **Outstanding GDRs / ADRs / Warrants or any Convertible instruments :**

During the financial year ended on 31.03.2015 the Company has not issued any GDR / ADR / Warrants or Convertible instruments. Also as on 31.03.2015 there were no GDR/ ADR/ Warrant or convertible instruments were outstanding against the Company.

(xviii) **Plant Locations :**

- Harangi Hydroelectric Power Project : Village – Hulugunda, Taluka – Somawarpet, Dist. – Kodagu, Karnataka – 571 233.
- Wind Mill Project : Rangapur Kawal, Arsikere, District – Hassan, Karnataka – 573 103
- Wind Mill Project: K-73, Elkurnahalli, Jogimatti Wind Zone, Chitradurga - District, Karnataka.

(xix) **Address for Correspondence :**

**Ms. Vijayshree Binnani**

Dy. Company Secretary

**Energy Development Company Limited**

'EDCL HOUSE',

1A, Elgin Road, Kolkata – 700 020.



## ANNEXURE - 'C'

## DECLARATION TO COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

This is to confirm that the Company has adopted a Code of Conduct for its Directors and Senior Management and the same is available on our corporate website [www.edclgroup.com](http://www.edclgroup.com).

I confirm that the Company has in respect of financial year ended on 31st March 2015, received from the Directors and Senior Management Personnel of the Company a declaration of the compliance with the Code of Conduct as applicable to them.

For Energy Development Company Limited

Place : New Delhi  
Dated : 14th August, 2015

Sd/-  
**Sanjiv Saraf**  
(Executive Director)

## ANNEXURE - 'D'

## CEO / CFO CERTIFICATION

To  
The Members of  
Energy Development Company Limited,

**Re : Financial Statements for the year ended on 31st March, 2015**

Certification by Executive Director and CFO

We, Sanjiv Saraf, Executive Director and Amit Damani, CFO of Energy Development Company Limited, to the best of our knowledge and belief, certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year ended on 31.03.2015 and that to the best of our knowledge and belief :
  1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee :
  1. significant changes in the internal control over financial reporting during the year under review;
  2. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or other employees who have a significant role in the Company's internal control systems over financial reporting.

For Energy Development Company Limited

Place : Kolkata  
Dated : 28th May, 2015

Sd/-  
**Amit Damani**  
(CFO)

Sd/-  
**Sanjiv Saraf**  
(Executive Director)





**ANNEXURE - 'E'**

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT**

To the Members of

**Energy Development Company Limited**

1. We have examined the compliance of conditions of Corporate Governance by Energy Development Company Limited, for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement) issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Lodha & Co.**  
Chartered Accountants  
Firm ICAI Registration No. 301051E

Sd/-

**H. K. Verma**  
*Partner*  
Membership No. 55104

Place : Kolkata  
Dated : 14th August, 2015



## ANNEXURE - 'F'

## Form AOC-1

[ Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014 ]

## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/JOINT VENTURES

Sl. No.	Name of the Subsidiary Company	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Share Holding	(Amount in ₹)	
Part 'A' : Subsidiaries														
1	Ayyappa Hydro Power Limited	520,000,000	(217,154,809)	1,497,230,504	1,194,385,313	-	113,148,672	(107,809,970)	5,138,862	(112,948,832)	-	100 %		
2	EDCL Power Projects Limited	147,500,000	(45,157,590)	314,876,377	212,533,967	17,00,000	50,811,291	(22,042,305)	(88,072)	(21,954,233)	-	100 %		
3	Arunachal Hydro Power Limited	1,495,500,000	(11,477,655)	1,495,428,942	11,406,597	1,480,000,000	-	(11,426,519)	-	(11,426,519)	-	100 %		
4	Eastern Ramganga Valley Hydel Projects Company Pvt. Ltd.	180,100,000	(3,408,459)	180,122,527	3,430,986	-	-	(3,272,922)	-	(3,272,922)	-	100 %		
5	Sarju Valley Hydel Projects Company Pvt. Ltd.	110,100,000	(1,409,924)	110,510,806	1,820,730	-	-	(1,274,387)	-	(1,274,387)	-	100 %		
Subsidiaries of Arunachal Hydro Power Limited :-														
6	EDCL - Arunachal Hydro Project Pvt. Ltd.	10,100,000	(352,893)	12,161,802	24,14,694	-	-	(61,954)	-	(61,954)	-	0.99 %		
7	EDCL - Seppa Beyong Hydro Electric Pvt. Ltd.	66,500,000	104,826,173	180,349,417	9,023,244	-	-	(273,304)	-	(273,304)	-	15.09 %		
8	EDCL - Seppa Kawa Power Pvt. Ltd.	61,000,000	82,889,424	150,253,964	6,364,540	-	-	(210,054)	-	(210,054)	-	19.05 %		
9	EDCL - Seppa Marjingla Hydro Electric Pvt. Ltd.	85,500,000	180,695,924	280,546,244	14,350,320	-	-	(403,554)	-	(403,554)	-	8.79 %		
10	EDCL - Seppa Jung Power Pvt. Ltd.	50,300,000	40,145,724	92,714,641	2,268,917	-	-	(153,803)	-	(153,803)	-	19.42 %		
11	EDCL - Seppa Riang Power Pvt. Ltd.	58,375,000	15,033,224	76,009,003	2,600,779	-	-	(191,304)	-	(191,304)	-	5.44 %		
12	EDCL - Seppa Nire Hydro Electric Pvt. Ltd.	28,000,000	30,986,724	61,582,621	2,595,897	-	-	(112,703)	-	(112,703)	-	25 %		
13	EDCL - Seppa Pachuk Pvt. Ltd.	105,500,000	260,558,481	388,457,669	22,399,188	-	-	(539,372)	-	(539,372)	-	6.11 %		
14	EDCL - Seppa Lada Hydro Electric Pvt. Ltd.	66,500,000	104,828,200	178,939,001	7,610,801	-	-	(269,654)	-	(269,654)	-	15.09 %		
15	EDCL - Seppa Dunkho Hydro Electric Pvt. Ltd.	83,800,000	173,914,200	271,412,151	13,697,951	-	-	(383,654)	-	(383,654)	-	9.13 %		



Part "A" : Subsidiaries													
Sl. No.	Name of the Subsidiary Company	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	(Amount in ₹)	% of Share Holding
16	EDCL – Tawang Power Pvt. Ltd.	109,000,000	40,785,085	157,032,848	7,247,763	-	-	(563,923)	-	(563,923)	-	-	0.36 %
17	EDCL – Tawang Upper Tsachu Hydro Electric Pvt. Ltd.	46,500,000	9,669,073	58,842,433	2,673,360	-	-	(186,354)	-	(186,354)	-	-	1.52 %
18	EDCL – Tawang Lower Tsachu Hydro Electric Pvt. Ltd.	99,000,000	34,866,945	139,995,965	6,129,020	-	-	(488,432)	-	(488,432)	-	-	0.42 %

**Notes :**

- Names of subsidiaries which are yet to commence operations : Companies referred to in no. 4 to 18 in the above table.
- Names of subsidiaries which have been liquidated or sold during the year : Companies referred to in no. 6 to 18 in the above table were 100% subsidiaries of Energy Development Company Limited (EDCL) until the previous year and have become subsidiaries of Arunachal Hydro Power Limited (AHPL) during the year. The entire holding of these companies are held by EDCL and AHPL.
- Accounts of Arunachal Hydro Power Limited have been consolidated with its subsidiaries referred to in serial no. 6 to 18 in the above table.
- Reporting Currency is Indian Rupee and Exchange rate as on 31.03.2015 is not applicable.
- Reporting period for all subsidiaries is from 01.04.2014 to 31.03.2015 except Arunachal Hydro Power Limited whose reporting period is from 01.07.2014 to 31.03.2015.

**Part "B" : Associates and Joint Ventures**  
**Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and joint ventures**

Not Applicable



## NOMINATION AND REMUNERATION POLICY

### 1. PREAMBLE

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that shareholders remain informed and confident in the management of the Company. To harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the Rules made thereunder and the Listing Agreement as amended from time to time, this Policy on nomination and remuneration of Directors (including non-executive Directors) Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

This Policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors (including non-executive Directors), Key Managerial Personnel and Senior Management Personnel.

### 2. OBJECTIVE

- To make recommendations to the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel;
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- To evaluate the performance of the members of the Board and provide necessary reports to the Board for further evaluation and to ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- To make recommendations to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management and to ensure that such remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### 3. DEFINITIONS

“Board” means Board of Directors of the Company.

“Company” means “Energy Development Company Limited”

“Employees’ Stock Option” means the option given to the Directors, officers or employees of a Company or of its holding Company or subsidiary Company or Companies, if any, which gives such Directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.

“Independent Director” means a Director referred to in Section 149 (6) of the Companies Act, 2013 and in clause 49 of the Listing Agreement;

“Key Managerial Personnel” (KMP) means;



- Chief Executive Officer or the Managing Director or the Manager,
- Company Secretary,
- Whole-time Director,
- Chief Financial Officer and
- Such other officer as may be prescribed.

“Nomination and Remuneration Committee” means a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

“Policy or This Policy” means, “Nomination and Remuneration Policy.”

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

“Service Rules/HR Policy” means “Service Rules/HR Policy” as framed by the Management which are applicable to all employees, may be amended or modified from time to time by the management.

“Senior Management” means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads, as may be decided by the Board from time to time.

Words and expression that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

#### 4. APPOINTMENT AND REMOVAL

##### a) Appointment criteria and qualifications

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- A person should possess adequate qualification, expertise and experience for the position he is considered for appointment. He shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices. The Committee has discretion to decide whether qualification, expertise, experience and attributes possessed by a person are sufficient / satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Managing Director / Whole-time Director / Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a Special Resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

##### b) Term / Tenure

- Managing Director / Executive Director / Whole-time Director / Manager : The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.



- Independent Director: An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's Report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he/ she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company.

#### c) Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly). The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence.

Criteria for performance evaluation of Independent Directors is given in the Appendix I to this Policy.

#### d) Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, Rules made thereunder or under any other applicable Act, Rules and Regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Managing Director /Executive Director / Whole Time Director, KMP or Senior Management subject to the provisions and compliance of the said Act, Rules and Regulations made thereunder and Service Rules/HR Policy of the Company as prevalent at that time.

#### e) Retirement

The Managing Director / Executive Director/ Whole Time Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Managing Director / Executive Director / Whole Time Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, subject to such approvals as may be required in this regard.

## 5. PROVISIONS RELATING TO REMUNERATION

### a) General

- The remuneration/compensation/commission etc. to Managing Director, Executive/Whole Time Directors, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to Managing Director, Executive / Whole Time Directors shall be as per the statutory provisions of the Companies Act, 2013, and the Rules made thereunder for the time being in force and in accordance with and subject to the relevant provisions of the Articles of Association of the Company.



- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the shareholders in the case of Managerial Personnel.
- Where any insurance is taken by the Company on behalf of its Managing Director, Executive/ Whole Time Directors, KMP and any other personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

**b) Remuneration to Non-Executive / Independent Director**

- Remuneration/Commission: The Committee may recommend the payment of remuneration/commission in accordance with the statutory provisions of the Companies Act, 2013, and the Rules made thereunder for the time being in force.
- Sitting Fees: The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- Limit of Remuneration / Commission: Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
- Stock Options: An Independent Director shall not be entitled to any stock option of the Company.

**c) Executive/Whole Time Directors****i) Appointment/Re-appointment, Remuneration and Terms and Conditions**

Appointment and Re-appointment, if any, of Executive Directors/Whole time Directors including remuneration and other terms and conditions thereof shall be in accordance with the provisions of Section 196, 197 of the Companies Act, 2013 read with Schedule V appended thereto. The Committee will recommend the appointment or re-appointment, if any, of any of the Executive / Whole time Directors to the Board and same will be approved by the shareholders at General Meetings by passing the necessary resolution in terms of provisions of the Companies Act, 2013.

**The components of remuneration package may include the following :**

- Basic Pay
- Allowances
- LTA
- Any other perks and benefits.

**ii) Minimum Remuneration**

If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive/Whole Time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

**iii) Overall Maximum Managerial Remuneration**

The total managerial remuneration payable by the Company to its Directors, including Managing Director and Whole time Directors and its Managers in respect of any financial year shall not exceed 11% of the net profit of the Company for that financial year calculated in the manner as laid down in Section 198 of the Companies Act, 2013, except that the remuneration of the Directors shall not be deducted from the



gross profit. In the event of payment of remuneration exceeding 11% of net profit, necessary formalities to be complied with, as per the said Act.

**iv) Provisions for excess remuneration**

If any Executive / Whole Time Directors draw or receive, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**d) Key Managerial Personnel and Senior Management**

Remuneration of KMP and Senior Management Personnel is proposed by the Company's Nomination and Remuneration Committee and subsequently approved by the Board of Directors. The remuneration is evaluated annually against performance of the Company, individual performance/contribution and decided rationally. The remuneration of KMP and Senior Management Personnel may comprise of the following:

- A fixed base salary, set at a level aimed at attracting and retaining executives with professional and personal competences required to drive the Company's performance.
- Special pay
- Variable pay linked with performance in respect of certain positions
- Allowances (HRA, conveyance etc.)
- LTA
- Perquisite and benefits
- Coverage on Mediclaim
- Retirement benefits including Superannuation

The KMP(s) and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on their recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**6. POLICY ON DIVERSITY OF BOARD**

The Board of Directors shall have the optimum combination of executive and Non-Executive Directors including Independent Directors from the different fields like Planning, Strategy, Production, Management, Engineering, Quality Assurance, Finance & Accountancy, Legal, Sales and Marketing, Supply chain, Research and Development, Human Resources etc. or as may be considered appropriate by the Committee from time to time. The Board shall have at least one member who has accounting or related financial management expertise and at least three members who are financially literate and at least one woman Director as its member.

**7. ASSISTANCE FROM OUTSIDE AGENCY**

The committee may take the assistance of External expert/agency as and when required to ensure that recommendations are based on rationale as also parameter to judge the performance level through a process.

This Policy will be reviewed and amended by the Nomination and Remuneration Committee as and when





required and appropriate recommendations will be made to the Board to update this Policy based on the changes that may be brought about due to any regulatory amendments or otherwise.

#### **8. APPLICABILITY TO SUBSIDIARIES**

This Policy may be adopted by the Company's subsidiaries subject to suitable modifications and approval of the Board of Directors of the respective subsidiary.

#### **9. DISCLOSURE OF INFORMATION**

Information as required in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5 of Company (Appointment & Remuneration) Rules, 2014 shall be disclosed in the Board in the manner as provided therein.

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## **APPENDIX I**

### **Criteria for Performance Evaluation of Independent Directors**

The Nomination and Remuneration Committee laid down the criteria for performance evaluation of Independent Non-Executive Directors. They are enumerated as below:

1. Frequency of Attendance and contribution to the Board and Committee meetings of Directors;
2. Appropriate mix of expertise, skills, behaviour, experience, leadership qualities, and understanding of business, strategic direction to align Company's value and standards;
3. Adequate understanding and knowledge of finance, accounts, legal, investment, marketing, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance;
4. Ability to create a performance culture that add value creation and a high quality of discussions;
5. Effectiveness to respond positively and constructively and to encourage more transparency;
6. Recognize the role which is expected to be played, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company and to achieve organizational successes and harmonizing the Board;
7. Represent presence, rational, physical and mental fitness, broader thinking and vision on corporate social responsibility;
8. Adhere to quality of decision and discussion for understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.;
9. To monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders; and
10. Contribution towards overall enhancement of brand image of the Company.



## ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes: CSR Policy is stated on the Company's website i.e. [www.edclgroup.com](http://www.edclgroup.com).
2. **The composition of the CSR committee :**
  - a. Mr. Sanjay Kumar Gupta, Chairman
  - b. Mr. Sanjiv Saraf, Executive Director
  - c. Mr. Tarun Chaturvedi, Independent Director
3. Average net profit of the company for last three financial years for the purpose of computation of CSR : ₹ 33,958,817/-
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹ 679,176/-
5. **Details of CSR spent during the financial year :**
  - a. Total amount to be spent for the financial year : ₹ 679,176/-
  - b. Amount unspent : ₹ 679,176/-
  - c. Manner in which the amount spent during the financial year :

Sl. No.	CSR Project or Activity Identifies	Sector in which the Project is Covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) Project or programs wise (₹)	Amount spent (₹)	Cumulative expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing agency (₹)
Nil							

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: Reasons specified in Directors' Report.
7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company:

The CSR committee hereby confirms that implementation and monitoring of the CSR policy are in compliance with CSR objectives and Policy of the Company. The Company could not spend required amount for the financial year 2014-15, reason being stated in the Directors' Report. However, the Company has significantly contributed towards CSR during the current financial year.

For Energy Development Company Limited

Sd/-  
Sanjiv Saraf  
(Executive Director)

Sd/-  
Sanjay Kumar Gupta  
Chairman, CSR Committee

Place : New Delhi  
Dated: 14th August, 2015



Form No. MR-3  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST, MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
ENERGY DEVELOPMENT COMPANY LIMITED  
"EDCL HOUSE", 1A, ELGIN ROAD  
KOLKATA - 700 020

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ENERGY DEVELOPMENT COMPANY LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **ENERGY DEVELOPMENT COMPANY LIMITED**, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31ST, MARCH, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **ENERGY DEVELOPMENT COMPANY LIMITED** ("the Company") for the financial year ended on 31st, March, 2015, according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable, since the company has not raised share capital during the year;**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not applicable, since the company has not issued shares as per (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 during the year;**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable, since the company has not issued any (Issue and Listing of Debt Securities) such securities under Regulations, 2008;**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable, as the Company not applied for delisted its shares from any Stock Exchange during the year;**



(h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; **Not Applicable, as the Company has not Bought back any securities during the year.**

(vi) Water (Prevention and Control of Pollution) Act, 1974 and Air (prevention And Control of pollution) Act, 1981.

(vii) Factories Licence under Factories Act, 1948 for its units situated in different places.

(viii) The Electricity Act, 2003.

I have also examined compliance with the applicable clauses of the following :

(i) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not notified hence not applicable to the Company during the audit period).**

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- 1) **Presently the Net worth, turnover and the net profit of the Company being less then the prescribed limits as prescribed under section 135 of the Act, the company was not required to incurred expenditure during the year on CSR activities, however the company has constituted CSR committee as per Companies (Corporate Social Responsibility policy) Rules, 2014.**
- 2) Section 186 of the Act is not applicable to the Company as it is a Company engaged in the business of providing infrastructural facilities as provided in Section 186(11)(a) of the Companies Act, 2013.

#### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I/we further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Kolkata  
Dated : 12th August, 2015

Sd/-  
**Ashok Kumar Daga**  
FCS No. : 2699, C P No. :2948



ANNEXURE - 'J'

**DETAILS PERTAINING TO REMUNERATION**

AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl. No.	Requirements of Rule 5(1)	Details			
1	The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	Apart from Mr. Sanjiv Saraf none of the Directors are being paid remuneration except fees for attending meetings. The ratio is 20.95%.			
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary.	Whole-time Director : Nil Chief Financial Officer – Not Applicable Company Secretary - (-22.36%) The comparison of remuneration has been made of the office of Director, Chief Financial Officer and Company Secretary.			
3	Percentage increase in the median remuneration of employees in the financial year.	(-18.89%)			
4	Number of permanent employees on the rolls of Company.	42 employees as on 31.3.2015.			
5	Explanation on the relationship between average increase in remuneration and Company performance.	Average increase in remuneration of all employees was 10 % which is based on the performance of the employees and to cover up the inflationary cost.			
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	For the financial year 2014-15 Key Managerial Personnel were paid 10.53% of the net profit of the Company.			
7	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year.	<b>Share Price on</b>	<b>As on 31.03.2015 ( ` )</b>	<b>As on 31.03.2014 ( ` )</b>	<b>% Increase/ (Decrease)</b>
		<b>BSE</b>	15.55	16	(2.81)
		<b>NSE</b>	15.15	15.20	(0.33)
		As per NSE quotation, P/E ratio as on 31st March, 2015 was 30.3 as against 19 on 31st March, 2014. As per NSE quotation, the market Capitalisation as on 31st March, 2015 was ` 41.66 crore as against ` 41.80 crore on 31st March, 2014. The Company has not made any public issue of securities in the recent past, so comparison of current share price with the public offer price has not been made. The Company's shares are listed on National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd.			
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average Salary increase of non-managerial employees is 10%. Average Salary increase of managerial employees is 10%. There are no exceptional circumstances for increase in the managerial remuneration.			
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	The financial performance of the Company is badly hit by Low monsoon. However, the increase in remuneration was to cover up the inflationary cost and comparable with Industry peers.			
10	The key parameters for any variable component of remuneration availed by the Directors.	No variable component.			
11	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.	Not Applicable.			
12	Affirmation that the remuneration is as per the remuneration policy of the Company.	It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.			



## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC.

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder :

<b>(A)</b>	<b>Conservation of Energy-</b>	
(i)	The steps taken or impact on conservation of energy	All Sodium vapor / MH lights are replaced with CFL.
(ii)	the steps taken by the company for utilizing alternate sources of energy	N.A.
(iii)	the capital investment on energy conservation equipments	Insignificant.
<b>(B)</b>	<b>Technology absorption-</b>	
(i)	the efforts made towards technology absorption	N.A.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution.	
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
(a)	the details of technology imported;	
(b)	the year of import;	
(c)	whether the technology been fully absorbed;	
(d)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	
(iv)	the expenditure incurred on Research and Development.	
<b>(C)</b>	<b>Foreign exchange earnings and Outgo-</b>	
	The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows	Nil



**ANNEXURE - 'L'**

**Form No. MGT - 9  
EXTRACT OF ANNUAL RETURN**

AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

<b>i)</b>	CIN	L85110KA1995PLC017003
<b>ii)</b>	Registration Date	19/01/1995
<b>iii)</b>	Name of the Company	<b>Energy Development Company Limited</b>
<b>iv)</b>	Category / Sub-Category of the Company	Company Limited by shares
<b>v)</b>	Address of the Registered Office and contact details	Village – Hulugunda Taluka – Somawarpet District – Kodagu Karnataka – 571 233 <b>Phone : 08276-277040</b> <b>Fax : 08276-277012</b> <b>Email Id : secretarial@edclgroup.com</b>
<b>vi)</b>	Whether listed Company	Yes
<b>viii)</b>	Name, address and contact details of Registrar & Transfer Agents (RTA), if Any	Niche Technologies Private Limited D-511, Bagree Market, 5th Floor, 71, Biplabi Rash Behari Basu Road Kolkata – 700 001

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated :

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Generation and transmission of electric energy produced in Hydro Electric Power.	4001	53%
2	Construction and maintenance of roads, railsbeds, bridges, tunnels, pipeline.	5010	38%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of share held	Applicable Section
1	Ayyappa Hydro Power Limited "EDCL HOUSE" 1A, Elgin Road, Kolkata – 700 020	U40100WB2005PLC116955	Subsidiary	100%	2(87)(ii)
2	EDCL Power Projects Limited "EDCL HOUSE" 1A, Elgin Road, Kolkata – 700 020	U74140WB2002PLC095242	Subsidiary	100%	2(87)(ii)
3	Arunachal Hydro Power Limited Model Village, Near Pacha River, District – East Kameng, Seppa – 790 102 (A.P.)	U40101AR2013PLC008384	Subsidiary	100%	2(87)(ii)
4	Eastern Ramganga Valley Hydel Projects Company Pvt. Ltd. E-593, Greater Kailash – II, New Delhi – 110 048	U40104DL2007PTC160700	Subsidiary	100%	2(87)(ii)



Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of share held	Applicable Section
5	Sarju Valley Hydel Projects Company Pvt. Ltd. E – 593, Greater Kailash – II, New Delhi – 110 048	U40101DL2007PTC160703	Subsidiary	100%	2(87)(ii)
6	EDCL – Arunachal Hydro Project Pvt. Ltd. “EDCL HOUSE” 1A, Elgin Road, Kolkata – 700 020	U40104WB2010PTC152829	Subsidiary*	1.00%	2(87) explanation (a)
7	EDCL – Seppa Beyong Hydro Electric Pvt Ltd. “EDCL HOUSE” 1A, Elgin Road, Kolkata – 700 020	U40101WB2010PTC152531	Subsidiary*	15.10%	2(87) explanation (a)
8	EDCL – Seppa Kawa Power Pvt. Ltd. “EDCL HOUSE” 1A, Elgin Road, Kolkata – 700 020	U40103WB2010PTC152532	Subsidiary*	19.04%	2(87) explanation (a)
9	EDCL – Seppa Marjingla Hydro Electric Pvt. Ltd. “EDCL HOUSE” 1A, Elgin Road, Kolkata – 700 020	U40101WB2010PTC152533	Subsidiary*	8.79%	2(87) explanation (a)
10	EDCL – Seppa Jung Power Pvt. Ltd. “EDCL HOUSE” 1A, Elgin Road, Kolkata – 700 020	U40101WB2010PTC152534	Subsidiary*	19.42%	2(87) explanation (a)
11	EDCL – Seppa Riang Power Pvt. Ltd. “EDCL HOUSE” 1A, Elgin Road, Kolkata – 700 020	U40102WB2010PTC152830	Subsidiary*	5.44%	2(87) explanation (a)
12	EDCL – Seppa Nire Hydro Electric Pvt. Ltd. “EDCL HOUSE” 1A, Elgin Road, Kolkata – 700 020	U40101WB2010PTC152536	Subsidiary*	25.00%	2(87) explanation (a)
13	EDCL – Seppa Pachuk Pvt. Ltd. “EDCL HOUSE” 1A, Elgin Road, Kolkata – 700 020	U40105WB2010PTC152524	Subsidiary*	6.11%	2(87) explanation (a)
14	EDCL – Seppa Lada Hydro Electric Pvt. Ltd. “EDCL HOUSE” 1A, Elgin Road, Kolkata – 700 020	U40101WB2010PTC152525	Subsidiary*	15.10%	2(87) explanation (a)
15	EDCL – Seppa Dunkho Hydro Electric Pvt. Ltd. “EDCL HOUSE” 1A, Elgin Road, Kolkata – 700 020	U40101WB2010PTC152526	Subsidiary*	9.13%	2(87) explanation (a)
16	EDCL – Tawang Power Pvt. Ltd. “EDCL HOUSE” 1A, Elgin Road, Kolkata – 700 020	U40101WB2010PTC152528	Subsidiary*	0.36%	2(87) explanation (a)
17	EDCL – Tawang Upper Tsachu Hydro Electric Pvt. Ltd. “EDCL HOUSE” 1A, Elgin Road, Kolkata – 700 020	U40102WB2010PTC152828	Subsidiary*	1.51%	2(87) explanation (a)
18	EDCL – Tawang Lower Tsachu Hydro Electric Pvt. Ltd. “EDCL HOUSE” 1A, Elgin Road, Kolkata – 700 020	U40101WB2010PTC152520	Subsidiary*	0.42	2(87) explanation (a)

\* Held through Arunachal Hydro Power Limited, referred to in serial no. 3.

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
<b>a) Individual/ HUF</b>	1937391	0	1937391	7.045	1937391	0	1937391	7.045	0.000
<b>b) Central Govt.</b>	–	–	–	–	–	–	–	–	–
<b>c) State Govt(s)</b>	–	–	–	–	–	–	–	–	–
<b>d) Bodies Corp.</b>	13562084	0	13562084	49.317	13562084	0	13562084	49.317	0.000
<b>e) Banks / FI</b>	–	–	–	–	–	–	–	–	–
<b>f) Any Other</b>	–	–	–	–	–	–	–	–	–
<b>Sub-total (A) (1):–</b>	15499475	0	15499475	56.362	15499475	0	15499475	56.362	0.000





i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A) (2) :	0	0	0	0.000	0	0	0	0.000	0.000
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	15499475	0	15499475	56.362	15499475	0	15499475	56.362	0.000
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (Specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1) :	0	0	0	0.000	0	0	0	0.000	0.000
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	9105406	0	9105406	33.111	9070297	0	9070297	32.983	-0.128
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2155977	43316	2199293	7.997	2122229	42306	2164535	7.871	-0.126
ii) Individual shareholders holding nominal share capital in excess of ` 1lakh	563176	0	563176	2.048	590456	0	590456	2.147	0.099
c) Others Specify									
(a) NRI	87892	0	87892	0.320	81318	0	81318	0.296	-0.024



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
(c) Foreign Nationals	-	-	-	-	-	-	-	-	-
(d) Clearing Members	44758	0	44758	0.163	93919	0	93919	0.342	0.179
(e) Trusts	-	-	-	-	-	-	-	-	-
(f) Foreign Bodies-D.R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2) :	11957209	43316	12000525	43.638	11958219	42306	12000525	43.638	0.000
Total Public Shareholding (B)=(B)(1)+ (B)(2)	11957209	43316	12000525	43.638	11958219	42306	12000525	43.638	0.000
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	27456684	43316	27500000	100.000	27457694	42306	27500000	100.000	0.000

## ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share Holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Amar Singh	1458453	5.303	0.000	1458453	5.303	0.000	0.000
2	Mrs. Pankaja Kumari Singh	468938	1.705	0.000	468938	1.705	0.000	0.000
3	Mr. Sanjiv Saraf	10000	0.036	0.000	10000	0.036	0.000	0.000
4	Sterlite Merchants LLP*	0	0.000	0.000	13562084	49.317	0.000	49.317
5	Sterlite Merchants Private Limited*	13562084	49.317	0.000	-	-	-	49.317
	<b>TOTAL</b>	<b>15499475</b>	<b>56.362</b>	<b>0.000</b>	<b>15499475</b>	<b>56.362</b>	<b>0.000</b>	<b>0.000</b>

\*Sterlite Merchants Private Limited was converted into Sterlite Merchants LLP.



iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Mr. Amar Singh</b>				
	a) At the beginning of the year	1458453	5.303	-	-
	b) Changes during the year	No changes			
	c) At the end of the year	-	-	1458453	5.303
<b>2</b>	<b>Mrs. Pankaja Kumari Singh</b>				
	a) At the beginning of the year	468938	1.705	-	-
	b) Changes during the year	No changes			
	c) At the end of the year	-	-	468938	1.705
<b>3</b>	<b>Mr. Sanjiv Saraf</b>				
	a) At the beginning of the year	10000	0.036	-	-
	b) Changes during the year	No changes			
	c) At the end of the year	-	-	10000	0.036
<b>4</b>	<b>Sterlite Merchants LLP</b>				
	a) At the beginning of the year	0	0.000	-	-
	b) Changes during the year : 19/09/2014 (Change of name on account of conversion of Sterlite Merchants Private Limited into Sterlite Merchants LLP)	13562084	49.317	13562084	49.317
	c) At the end of the year	-	-	13562084	49.317
<b>5</b>	<b>Sterlite Merchants Private Limited</b>				
	a) At the beginning of the year	13562084	49.317	-	-
	b) Changes during the year 19/09/2014 (Change of name on account of conversion of Sterlite Merchants Private Limited into Sterlite Merchants LLP)	13562084	49.317	0	0.000
	c) At the end of the year	-	-	0	0.000
	<b>TOTAL</b>	<b>15499475</b>	<b>56.362</b>	<b>15499475</b>	<b>56.362</b>



## iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Rottex Mercantile Limited</b>				
	a) At the beginning of the year	3887424	14.136	-	-
	b) Changes during the year	No changes			
	c) At the End of the year	-	-	3887424	14.136
<b>2</b>	<b>Gatisheel Traders LLP</b>				
	a) At the beginning of the year	565666	2.057	-	-
	b) Changes during the year				
	Purchase on 01/08/2014	1500200	5.455	2065866	7.512
	Purchase on 19/09/2014	1659593	6.035	3725459	13.547
	c) At the End of the year	-	-	3725459	13.547
<b>3</b>	<b>Flex International Private Limited</b>				
	a) At the beginning of the year	252500	0.918	-	-
	b) Changes during the year	No changes			
	c) At the End of the year	-	-	252500	0.918
<b>4</b>	<b>Sahara India Commercial Corporation Limited</b>				
	a) At the beginning of the year	250000	0.909	-	-
	b) Changes during the year	No changes			
	c) At the End of the year	-	-	250000	0.909
<b>5</b>	<b>Wamil Suppliers Private Limited</b>				
	a) At the beginning of the year	177128	0.644	-	-
	b) Changes during the year				
	Purchase on 31/03/2015	42843	0.156	219971	0.800
	c) At the End of the year	-	-	219971	0.800
<b>6</b>	<b>Exude Vincom Limited</b>				
	a) At the beginning of the year	1645240	5.983	-	-
	b) Changes during the year				
	Sale on 23/05/2014	-10000	0.036	1635240	5.946
	Sale on 25/07/2014	-1505283	5.474	129957	0.473
	Sale on 20/03/2015	-7000	0.025	122957	0.447
	Sale on 27/03/2015	-57960	0.211	64997	0.236
	c) At the End of the year	-	-	64997	0.236



Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>7</b>	<b>Yes Equities Private Limited</b>				
	a) At the beginning of the year	127666	0.464	-	-
	b) Changes during the year				
	Sale on 23/05/2014	-48360	0.176	79306	0.288
	Sale on 13/06/2014	-17648	0.064	61658	0.224
	c) At the End of the year	-	-	61658	0.224
<b>8</b>	<b>Banhem Stock Broking Private Limited</b>				
	a) At the beginning of the year	0	0.000	-	-
	b) Changes during the year				
	Purchase on 20/03/2015	59783	0.217	59783	0.217
	c) At the End of the year	-	-	59783	0.217
<b>9</b>	<b>Waltz Tracom Private Limited</b>				
	a) At the beginning of the year	58200	0.212	-	-
	b) Changes during the year		No changes		
	c) At the End of the year	-	-	58200	0.212
<b>10</b>	<b>Innovative Designers Private Limited</b>				
	a) At the beginning of the year	50211	0.183	-	-
	b) Changes during the year		No changes		
	c) At the End of the year	-	-	50211	0.183
<b>11</b>	<b>Gautham Ramesh</b>				
	a) At the beginning of the year	54427	0.198	-	-
	b) Changes during the year				
	Sale on 30/05/2014	-54427	0.198	0	0.000
	Purchase on 08/08/2014	9016	0.033	9016	0.033
	Purchase on 15/08/2014	8019	0.029	17035	0.062
	c) At the End of the year	-	-	17035	0.062
<b>12</b>	<b>Citrus Securities Private Limited</b>				
	a) At the beginning of the year	1659593	6.035	-	-
	b) Changes during the year				
	Sale on 19/09/2014	-1659593	6.035	0	0.000
	c) At the End of the year	-	-	0	0.000
	<b>TOTAL</b>	<b>8728055</b>	<b>31.738</b>	<b>8647238</b>	<b>31.445</b>



## E. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Mr. Amar Singh</b>				
	a) At the beginning of the year	1458453	5.30	-	-
	b) Changes during the year	No changes			
	c) At the End of the year	-	-	1458453	5.30
<b>2</b>	<b>Mrs. Pankaja Kumari Singh</b>				
	a) At the beginning of the year	468938	1.71	-	-
	b) Changes during the year	No changes			
	c) At the End of the year	-	-	468938	1.71
<b>3</b>	<b>Mr. Sanjiv Saraf (Executive Director &amp; KMP)</b>				
	a) At the beginning of the year	10000	0.04	-	-
	b) Changes during the year	No changes			
	c) At the End of the year	-	-	10000	0.04
<b>4</b>	<b>Mr. Sanjay Kumar Gupta</b>				
	a) At the beginning of the year	6000	0.02	-	-
	b) Changes during the year	No changes			
	c) At the End of the year	-	-	6000	0.02

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment :

(In `)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	46215278	663600000	-	709815278
ii) Interest due but not paid	-	56061576	-	56061576
iii) Interest accrued but not due	-	-	-	-
<b>Total(i+ii+iii)</b>	<b>46215278</b>	<b>725475077</b>	<b>-</b>	<b>771690355</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition		113900000	-	113900000
- Reduction		(777500000)	-	(777500000)
<b>Net Change</b>	<b>192164</b>	<b>(663600000)</b>	<b>-</b>	<b>(663407836)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	46407442	NIL	-	46407442
ii) Interest due but not paid	-	NIL	-	NIL
iii) Interest accrued but not due	-	NIL	-	NIL
<b>Total(i+ii+iii)</b>	<b>46407442</b>	<b>NIL</b>	<b>-</b>	<b>46407442</b>



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Remuneration to Managing Director, Whole-time Directors and / or Manager :

(In `)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager Mr. Sanjiv Saraf	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	4820000 39600 -	4820000 39600 -
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	- Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
	<b>Total (A)</b>	<b>4859600</b>	<b>4859600</b>
	Ceiling as per the Act	Ceiling as per section 197 is 5% of Net Profit calculated as per section 198 comes to ` 5,97,868/-. Since there is inadequate profit during the year the Managerial Remuneration has been paid as per schedule V appended to the Companies Act, 2013 and the overall remuneration is within the limits as specified therein computed based on effective Capital as provided in Section II of Part II of said schedule	

B. Remuneration to other Directors :

(In `)

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Amar Singh	Pankaja Kumari Singh	Sanjay Kumar Gupta	Vijoy Kumar	Tarun Chaturvedi	Gouri Prasad Goenka	Anil Gupta	Bijay Kumar Garodia	
1	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	80000	210000	240000	20000	70000	40000	660000
	<b>Total (1)</b>	-	-	80000	210000	240000	20000	70000	40000	660000
2	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	110000	60000	140000	-	-	-	-	-	310000
	<b>Total (2)</b>	110000	60000	140000	-	-	-	-	-	310000
	<b>Total (B)=(1+2)</b>	110000	60000	220000	210000	240000	20000	70000	40000	970000
	<b>Total Managerial Remuneration (A+B)</b>									<b>5829600</b>
	Overall Ceiling as per the Act	Ceiling as per section 197 is 1% of Net Profit calculated as per section 198 comes to ` 1,19,573/-. Remuneration paid to Non-executive Directors in the form Sitting fees for attending the Board / Committee meetings are well within the ceilings as prescribed under Section 197 of the Companies Act, 2013 read with Rule 4 of Companies (Appointment & Managerial Remuneration) Rules, 2014.								



## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD :

(In `)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Company Secretary		CFO		
		Mr. Premchand Kan-karia (01.04.2014 to 30.09.2014)	Mr. Vivek Mishra (1.10.2014 to 31.03.2015)	Mr. Nathmal Modi (01.04.2014 to 30.09.2014)	Mr. Amit Damani (01.03.2015 to 31.03.2015)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	300000	134096	390000	36000	860096
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	180000	92664	293855	27000	593519
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	<b>Total</b>	<b>480000</b>	<b>226760</b>	<b>683855</b>	<b>63000</b>	<b>1453615</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

(In `)

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
<b>A.COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C.OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					





## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENERGY DEVELOPMENT COMPANY LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Energy Development Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions 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 controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone 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 thereunder. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2015, its profit and its cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to Note 12(ii) to the financial statements which describes that the Company has investments in various subsidiaries which are setting up hydel power plants wherein project survey, geological investigation and formulation of Detailed Project Report (DPR) and other allied works are under progress. These investments being strategic and long term in nature, there is no permanent diminution, therefore no provision has been considered necessary.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms



of sub-section (11) of section 143 of the Act, and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

**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 purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the other matters to be 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. Pending litigations (other than those already recognised in the financial statements) having material impact on the financial position of the Company have been disclosed in the financial statements as required in terms of relevant accounting standards and provisions of the Act;
  - ii. As explained to us, the Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts, including derivative contracts Note 28(b) to the Financial Statement.
  - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

Place : Kolkata  
Dated : 28th May, 2015

For **Lodha & Co.**  
Chartered Accountants  
Firm ICAI Registration No. 301051E

Sd/- **H K Verma**  
*Partner*  
Membership No. 55104

**ANNEXURE TO AUDITORS' REPORT****ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE**

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies in respect of the assets verified during the year were noticed.
- ii) (a) The inventory has been physically verified during the year by the management at reasonable intervals.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventories and discrepancies noticed on the physical verification of inventory, as explained, were not material as compared to the book records.
- iii) According to information and explanations given to us the company has given unsecured loans to thirteen companies listed in the register maintained under Section 189 of the Act.
- (a) According to the information and explanations given to us, the principal amount due for repayment and interest thereon has been regularly received.
- (b) As informed to us, having regard to terms and conditions of the loan as mentioned above, there is no overdue amount outstanding in respect of such loan and interest there on.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct weaknesses in the internal control system.
- v) The Company has not accepted any deposits from the public and accordingly, the provisions of Section 73 to 76 or any other relevant provisions of the Act are not applicable.
- vi) We have broadly reviewed the cost records and accounts prescribed by the Central Government under section 148(1) of the Act and are of the opinion that prima-facie, such records have been maintained by the Company. However, we have not carried out any detailed examination of such accounts and records.
- vii) (a) According to the information and explanations given to us, except in respect of tax deducted at source, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of aforesaid dues for a period of more than six months from the date they become payable except ₹ 6,45,945 in respect of tax deducted at source.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited on account of dispute except as given below :

Statute	Nature of Tax	Forum where Dispute is Pending	Amount (₹)	Period to which amount relates
The Income Tax Act, 1961	Income Tax	CIT (Appeals)	11,94,30,590	2005-06, 2010-11, 2011-12
The West Bengal Value Added Tax Rules, 2005	Sales Tax	Joint Commissioner	2,39,19,314	2010-11 and 2011-12

- (c) According to the information and explanations given to us, there are no amounts due to be transferred to Investor Education and Protection Fund.



- viii) The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix) In our opinion and on the basis of information and explanations given by the management, the Company has not defaulted in the repayment of dues to banks. The Company has not borrowed from any financial institutions and there were no debenture holders during the year.
- x) The company has given guarantee for loan taken by a subsidiary from banks or financial institutions. According to the information and explanations given to us we are of the opinion that the terms and conditions thereof are not prima-facie prejudicial to the interest of the Company.
- xi) The Company has not obtained any term loan and as such the provisions of clause 3 (xi) of the Order are not applicable to the Company.
- xii) During the course of our examinations of the books of accounts carried out in accordance with the generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company, nor have we been informed of any such case by the management.

Place : Kolkata  
Dated : 28th May, 2015

For **Lodha & Co.**  
Chartered Accountants  
Firm ICAI Registration No. 301051E

Sd/- **H K Verma**  
*Partner*  
Membership No. 55104



## BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	Amount in `	
		As at 31st March 2015	As at 31st March 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	275,000,000	275,000,000
Reserves and Surplus	3	<u>1,065,005,381</u>	<u>1,070,081,211</u>
		<b>1,340,005,381</b>	<b>1,345,081,211</b>
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	–	663,600,000
Deferred tax liabilities (Net)	5	5,285,987	6,924,680
Long term provisions	6	<u>3,906,000</u>	<u>4,366,000</u>
		<b>9,191,987</b>	<b>674,890,680</b>
<b>Current Liabilities</b>			
Short-term borrowings	7	46,407,442	46,215,278
Trade payables	8	56,159,851	92,024,210
Other current liabilities	9	39,879,533	96,370,526
Short-term provisions	10	<u>17,281,176</u>	<u>16,196,813</u>
		<b>159,728,002</b>	<b>250,806,827</b>
<b>Total</b>		<u><b>1,508,925,370</b></u>	<u><b>2,270,778,718</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	11	478,899,317	527,582,174
- Intangible assets	11	<u>700,284</u>	<u>531,182</u>
		<b>479,599,601</b>	<b>528,113,356</b>
Non-current investments	12	706,923,511	1,009,478,542
Long term loans and advances	13	112,137,530	463,347,636
Other non-current assets	14	–	1,500,000
		<u><b>1,298,660,641</b></u>	<u><b>2,002,439,534</b></u>
<b>Current assets</b>			
Inventories	15	25,913,723	23,824,840
Trade receivables	16	88,524,191	124,852,546
Cash and bank balances	17	35,741,274	59,543,577
Short-term loans and advances	18	26,887,383	26,054,723
Other current assets	19	<u>33,198,158</u>	<u>34,063,498</u>
		<b>210,264,729</b>	<b>268,339,184</b>
<b>Total</b>		<u><b>1,508,925,370</b></u>	<u><b>2,270,778,718</b></u>

Significant Accounting Policies

1

The accompanying notes(1-33) form an integral part of financial statements

As per our Report of even date  
For **Lodha & Co.**  
Chartered Accountants  
Firm ICAI Registration No. 301051E

**H K Verma**  
Partner  
Membership No. 55104

Place : Kolkata  
Dated : 28th May, 2015

**For and on behalf of the Board of Directors**

Sd/- **Amar Singh**, Non Executive Chairman  
Sd/- **Sanjiv Saraf**, Executive Director  
Sd/- **Sanjay Kumar Gupta**, Director  
Sd/- **Vijoy Kumar**, Director  
Sd/- **Amit Damani**, Chief Financial Officer  
Sd/- **Vijayshree Binnani**, Dy. Company Secretary



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	Amount in `	
		Year ended 31st March 2015	Year ended 31st March 2014
<b>Revenue :</b>			
Revenue from operations	20	217,627,198	387,496,742
Other Income	21	61,820,773	62,714,317
<b>Total Revenue</b>		<b>279,447,971</b>	<b>450,211,059</b>
<b>Expenses :</b>			
Cost of materials consumed	22	50,212,655	49,503,441
Purchase of Stock-in-Trade	22	2,295,000	70,692,477
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(2,296,115)	20,746,557
Employee benefit expenses	23	26,620,270	53,803,054
Finance cost	24	76,981,563	87,858,868
Depreciation and amortization expense	11	40,637,807	49,546,126
Other expenses	25	71,094,405	111,577,374
<b>Total Expenses</b>		<b>265,545,585</b>	<b>443,727,897</b>
<b>Profit/(Loss) before tax for the year</b>		<b>13,902,386</b>	<b>6,483,162</b>
<b>Tax Expense :</b>			
– Current tax		620,000	–
– Tax for earlier years		–	(62,763)
– Deferred tax charge / (credit)		(518,455)	(15,522,422)
<b>Total Tax Expense</b>		<b>101,545</b>	<b>(15,585,185)</b>
<b>Profit/(Loss) after tax for the year</b>		<b>13,800,841</b>	<b>22,068,347</b>
Earnings per equity share of ` 10 each fully paid-up			
– Basic & Diluted	29	0.50	0.80

Significant Accounting Policies

1

The accompanying notes(1-33) form an integral part of financial statements

As per our Report of even date  
For **Lodha & Co.**  
Chartered Accountants  
Firm ICAI Registration No. 301051E

**H K Verma**  
Partner  
Membership No. 55104

Place : Kolkata  
Dated : 28th May, 2015

**For and on behalf of the Board of Directors**

Sd/- **Amar Singh**, Non Executive Chairman

Sd/- **Sanjiv Saraf**, Executive Director

Sd/- **Sanjay Kumar Gupta**, Director

Sd/- **Vijoy Kumar**, Director

Sd/- **Amit Damani**, Chief Financial Officer

Sd/- **Vijayshree Binnani**, Dy. Company Secretary



## NOTE 1

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **1.1 Basis of preparation of financial statements**

The accounts have been prepared under the historical cost convention and in accordance with the provisions of the Companies Act, 2013 and accounting standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

#### **1.2 Use of Estimates**

The preparation of financial Statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and the reported amounts of income and expenses during the year. Difference between the actual results and the estimates are recognised in the year in which the results become known/ materialise.

#### **1.3 Fixed Assets**

Fixed assets are stated at cost which comprise its purchase price and any attributable cost of bringing the assets to its working condition for its intended use. In case of construction/erection of fixed assets, cost comprise those costs that relate directly to the specific asset and those that are attributable to the construction/erection activities in general and can be allocated to the specific assets. Cost includes interest and pre-operative expenses.

#### **1.4 Expenditure during Construction Period**

Expenditure related to and incurred during implementation of capital project is included under Capital Work-in-progress and the same is allocated to the respective Fixed Assets on completion of its construction / erection. Interest on borrowing costs related to qualifying asset is worked out on the basis of actual utilization of funds out of project specific loans and / or other borrowings to the extent identifiable with the qualifying asset and are capitalized with the cost of qualifying assets.

#### **1.5 Depreciation and Amortisation**

Depreciation on all assets, other than the generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers & cable network has been provided on written down value method at the rates and in the manner specified in Schedule II to the Companies Act, 2013.

In respect of assets of generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers & cable network depreciation has been provided on straight line method over useful life of 30 years as per the implementation agreement with the authorities. Erection and maintenance tools are amortised over a period of five years on pro -rata basis. Intangible fixed assets are amortised at the rate of 40% on written down value method. Leasehold land is amortised over the period of lease on straight line method.

#### **1.6 Investments**

Long-term investments are valued at cost. Current investments are valued at lower of cost and fair value as on the date of the Balance Sheet. In respect of long term investments, the Company provides for diminution in the value of investments, other than temporary in nature.

#### **1.7 Revenue Recognition**

- a) Revenue in respect of sale of electricity generated is accounted for on delivery to the grid.
- b) Revenue in respect of Contract Division from goods/services is recognized on delivery of the goods/rendering of services. Revenue against construction/consultancy contracts is recognized progressively on the basis of Percentage of Completion method. Stage of completion of contracts in progress is determined by reference to the physical proportion of the contract work completed and billed.

#### **1.8 Inventories**

Inventories are valued at cost or estimated net realisable value, whichever is lower. Cost of inventory comprising stores, spares and consumables are determined applying weighted average method. Values of spares related to the machinery are charged out as consumption, over the effective life of the plant and machinery to which they relate.



Cost in respect of work in progress represents cost of materials remaining uncertified/incomplete under the construction/ consultancy contracts undertaken by the company.

### 1.9 Impairment

Fixed Assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognised, whenever the carrying amount of assets exceed recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing the value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets on a pro-rata basis. Subsequent to recognition of impairment loss/reversal thereof, depreciation is provided on the revised carrying amount of the asset, on a systematic basis, over its remaining useful life.

### 1.10 Employee Benefits

Employees benefits are accrued in the year services are rendered by the employees.

Contribution to defined contribution schemes such as Provident Fund etc. are recognized as and when incurred.

Long term employee benefits under defined benefit scheme such as contribution to gratuity, leave etc. are determined at close of the year at present value of the amount payable using actuarial valuation techniques.

Actuarial gains and losses are recognised in the year when they arise.

### 1.11 Taxation

Provision for tax is made for current and deferred taxes. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent years are recognised using tax rates and tax laws, which have been enacted or substantively enacted. Deferred tax assets other than in respect of carried forward losses or unabsorbed depreciation are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized.

Entitlement credit in respect of Minimum Alternate Tax is recognised only if there is convincing evidence of realisation of the same.

### 1.12 Borrowing Costs

Borrowing costs that are attributable to the acquisition / construction/erection of fixed assets are capitalized as part of the assets. Other borrowing costs are recognised as expenses in the year in which they are incurred.

### 1.13 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not provided for and are disclosed by way of notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

### 1.14 Leases

Lease rental payments for operating leases are recognised as an expense on straight- line basis over the lease term and paid / provided for as per terms of the agreement on an accrual basis.





**NOTE 2  
SHARE CAPITAL**

	As at 31st March 2015	As at 31st March 2014
<b>Authorised</b>	<u>350,000,000</u>	<u>350,000,000</u>
35,000,000 (35,000,000) Equity shares of ` 10/- each	<u>350,000,000</u>	<u>350,000,000</u>
<b>Issued, Subscribed and Paid-up</b>	<u>275,000,000</u>	<u>275,000,000</u>
27,500,000 (27,500,000) Equity shares of ` 10/- each fully paid up	<u>275,000,000</u>	<u>275,000,000</u>

<b>Reconciliation of the number of equity shares outstanding</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
At the beginning	27,500,000	27,500,000
During the year	-	-
At the end	27,500,000	27,500,000

<b>Shareholders holding more than 5% of equity shares</b>	<b>Nos.of shares (%)</b>	<b>Nos.of shares (%)</b>
Sterlite Merchants LLP	1,35,62,084 (49.3%)	1,35,62,084 (49.3%)
Mr.Amar Singh	14,58,453 (5.3%)	14,58,453 (5.3%)
Citrus Securities Pvt.Ltd.	-	16,59,593 (6%)
Exude Vincom Ltd.	-	16,45,240 (6%)
Rottex Mercantile Pvt.Ltd.	38,87,424 (14.1%)	38,87,424 (14.1%)
Gatisheel Traders LLP	37,25,459 (13.5%)	-

**Rights, Preferences and Restrictions attaching to each classes of shares including restrictions on the distribution of dividends and the repayment of capital**

- The Company has only one class of equity shares having a par value of ` 10/- per share. Each holder of equity is entitled to one vote per share. The dividend, if any proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by them.
- The Board of Directors has recommended payment of dividend @ 5% (` 0.50) per equity share on the paid-up share capital of the company for the financial year 2014-2015 subject to approval of members at the ensuing Annual General Meeting.

**NOTE 3  
RESERVES AND SURPLUS**

Capital Reserve on Amalgamation	1,165,345	1,165,345
Capital Reserve	124,000,000	124,000,000
Securities Premium	350,000,000	350,000,000
General Reserve	2,288,636	2,288,636
<b>Surplus in Statement of Profit and Loss</b>		
Opening Balance	592,627,231	586,645,697
Less : Adjustment of depreciation (net of deferred tax) due to Schedule II of the Co's Act 2013 [Refer Note 11(d)]	2,327,495	-
Add : Profit/(Loss) for the year transferred from Statement of Profit and Loss	13,800,841	22,068,347
Less : Appropriations		
Proposed Dividend on Equity shares	13,750,000	13,750,000
[ Dividend per share ` 0.50/- (Previous year ` 0.50 /-)]		
Tax on Dividend	2,799,176	2,336,813
Balance at the end of the year	<u>587,551,400</u>	<u>592,627,231</u>
<b>Total</b>	<u>1,065,005,381</u>	<u>1,070,081,211</u>



	As at 31st March 2015	As at 31st March 2014
<b>NOTE 4</b>		
<b>LONG-TERM BORROWINGS</b>		
<b>Unsecured</b>		
Loan from related parties		
From Bodies Corporate (Refer Note 27)	-	657,600,000
<b>Loan from others</b>		
From Bodies Corporate	-	6,000,000
	<u>-</u>	<u>6,000,000</u>
	<u>-</u>	<u>663,600,000</u>

**Terms of Repayment**

During the year, the repayment terms of the loans were revised and in terms of the said revision the loans were fully repaid.

**NOTE 5**  
**DEFERRED TAX LIABILITIES (NET)**

**Deferred Tax Assets**

Expenses allowable on payment basis	(3,211,957)	(1,452,238)
Provision for bad and doubtful debts	-	(7,853,007)
	<u>(3,211,957)</u>	<u>(9,305,245)</u>

**Deferred Tax Liabilities**

Depreciation Difference	8,497,944	16,229,925
	<u>8,497,944</u>	<u>16,229,925</u>
	<u>5,285,987</u>	<u>6,924,680</u>

- Change in Outstanding amount of deferred tax liabilities of ( ` 16,38,693)/- has been made by Credit in Statement of Profit and Loss account by ` 518,455/- and adjustment to balance in Surplus of Profit and Loss under Reserves and Surplus ` 11,20,238/- [Refer Note 11(d)]

**NOTE 6**  
**LONG TERM PROVISIONS**

**Provision for Employee benefits**

Provision for leave encashment	2,086,000	3,770,000
Provision for Gratuity	1,820,000	596,000
	<u>3,906,000</u>	<u>4,366,000</u>

**NOTE 7**  
**SHORT-TERM BORROWINGS**

**Secured****(Repayable on Demand)**

Cash Credit from Bank	46,407,442	46,215,278
	<u>46,407,442</u>	<u>46,215,278</u>

(Secured by hypothecation of entire stocks and other movables of the company including all movable Plant and Machinery, Furniture and Fixtures, Vehicles, Computers and other accessories etc. stored or to be stored, at the premises/godowns of the company's contract division and also all present and future book debts, outstanding monies, receivables, claims, bills etc. and equitable mortgage of immovable properties at 9MW Harangi Hydro Electric Project)



	As at 31st March 2015	As at 31st March 2014
<b>NOTE 8</b>		
<b>TRADE PAYABLES</b>		
Payables for goods and services (*)	56,159,851	92,024,210
	<u>56,159,851</u>	<u>92,024,210</u>

(\*) [Includes ` 10,78,000/- (Previous Year ` Nil /- ) payable to subsidiaries] (Refer Note 27)

- a) The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under the Act has not been given.
- b) Payables for goods and services includes acceptances amounting to ` Nil /- (Previous year ` 85,51,329/-)

**NOTE 9**  
**OTHER CURRENT LIABILITIES**

Interest accrued and due on borrowings		
- Related parties (Refer Note 27)	-	55,424,480
- Others	-	637,096
	-	<u>56,061,576</u>
Interest accrued and due on Others	8,905,948	5,813,501
Unpaid Dividends (*)	752,761	603,296
Statutory Payables	3,053,247	5,088,444
Advance from customers	26,990,635	26,990,635
Other Payables	176,942	1,813,074
	<u>39,879,533</u>	<u>96,370,526</u>

(\*) As at the year end there are no amounts due for payment to the investor education and protection fund u/s 205C of the companies Act 2013.

**NOTE 10**  
**SHORT TERM PROVISIONS**

<b>Provision for employee benefits</b>		
Provision for leave encashment	732,000	110,000
<b>Other Provisions</b>		
Provision for Proposed Dividend	13,750,000	13,750,000
Provision for Dividend Distribution Tax	2,799,176	2,336,813
	<u>17,281,176</u>	<u>16,196,813</u>



**NOTE 11  
FIXED ASSETS**

Amount in `

Name of the Assets	Gross Block			Depreciation/ Amortization				Net Block		
	Cost as at 31.03.2014	Additions / Adjustment	Deletion / Adjustments	Cost as at 31.03.2015	As at 31.03.2014	During the year		Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
						In statement of Profit and Loss	In Surplus balance of Profit and Loss			
(A) Tangible Assets										
Freehold Land	208,300	-	-	208,300	-	-	-	-	208,300	208,300
Leasehold Land [Note a]	-	-	-	-	-	-	-	-	-	-
Buildings and Roads	112,933,241	-	-	112,933,241	17,774,675	5,329,770	3,121,833	26,226,278	86,706,963	95,158,566
Plant & Equipment	393,766,541	1,358,144	9,689,663	385,435,022	202,414,419	13,236,627	-	2,680,144	172,464,120	191,352,122
Hydraulic Works	155,110,028	-	-	155,110,028	83,621,973	3,805,436	-	87,427,409	67,682,619	71,488,055
Transmission Lines, Transformers, Cable										
Network etc [Note b]	53,466,018	-	-	53,466,018	30,589,692	1,281,627	-	31,871,319	21,594,699	22,876,326
Office Equipment	7,219,991	629,112	-	7,849,103	5,385,056	1,495,915	201,748	7,082,719	766,384	1,834,935
Furniture and Fixtures	15,448,295	18,295	-	15,466,590	9,563,355	1,875,687	89,226	11,528,268	3,938,322	5,884,940
Motor Vehicle	34,671,516	-	-	34,671,516	22,099,262	5,300,778	29,258	27,429,298	7,242,218	12,572,254
Windmill [Note c]	184,767,000	-	-	184,767,000	58,560,324	7,910,985	-	66,471,309	118,295,691	126,206,676
Total (A)	957,590,930	2,005,551	9,689,663	949,906,818	430,008,756	40,236,825	3,442,065	471,007,501	478,899,317	527,582,174
(B) Intangible Assets										
Computer Software	2,495,855	575,753	-	3,071,608	1,964,673	400,982	5,669	2,371,324	700,284	531,182
Total (B)	2,495,855	575,753	-	3,071,608	1,964,673	400,982	5,669	2,371,324	700,284	531,182
Total (A+B)	960,086,785	2,581,304	9,689,663	952,978,426	431,973,429	40,637,807	3,447,734	473,378,825	479,599,601	528,113,356
Previous Year	973,135,473	5,592,562	18,641,250	960,086,785	388,724,751	49,546,126	-	431,973,429	528,113,356	

**Note :** (a) 7.21 acres of Land has been taken on lease for 40 years w.e.f. 14th July, 1999 at an annual lease rent of ` 72,100/-

(b) Transmission Lines, Transformers, Cable network etc. include Power Evacuating facilities put up in relation to the Hydro Electric Generating Station, which has been handed over to the Electricity Board for transmission of Electricity and maintenance thereof.

(c) Gross Block of Windmill includes Leasehold Land of ` 3,600,000/- (Previous year ` 3,600,000/-).

(d) Depreciation on fixed assets has been computed based on the useful life of assets, as per Schedule II of the Companies Act, 2013, made effective from 1st April, 2014 or life assessed, whichever is lower. Accordingly, net book value of the fixed assets existing as at that date has been depreciated over the remaining useful life of the assets computed as aforesaid. Consequently, charge on account of depreciation for the year ended 31st March, 2015 is lower by ` 62,16,943/- . Further, ` 23,27,495/- (net of deferred tax of ` 11,20,239/-) being the carrying amount of the assets whose useful life has already expired as on 1st April, 2014 has been adjusted against the retained earnings as on that date.



As at  
31st March 2015                      As at  
31st March 2014

**NOTE 12**

**NON-CURRENT INVESTMENTS**

**(Long Term)(At cost,unless otherwise stated)(Other than trade) (Investments)**

**Investment in Equity shares of Subsidiary Companies (Unquoted)**

(a) Arunachal Hydro Power Limited 49,994 (NIL) Equity Shares of ` 10/- each fully paid-up	499,940	-
(b) Ayyappa Hydro Power Limited 30,000,000 (30,000,000) Equity Shares of ` 10/- each fully paid-up [ Refer Note (i) below]	300,000,000	300,000,000
(c) EDCL Power Projects Ltd. 3,750,000 (3,750,000) Equity Shares of ` 10/- each fully paid-up	40,000,000	40,000,000
(d) Eastern Ramganga Valley Hydel Projects Co Pvt Ltd. 10,000 (10,000) Equity Shares of 10/- each fully paid-up	100,000	100,000
(e) Sarju Valley Hydel Projects Co Pvt Ltd. 10,000(10,000) Equity Shares of ` 10/- each fully paid-up	100,000	100,000
	340,699,940	340,200,000

**Investment in Equity shares of Subsidiary of (a) above (Unquoted)**

(f) EDCL Seppa Beyong Hydro Electric Pvt. Ltd. 400,000 (950,000) Equity Shares of ` 10/- each fully paid-up	19,831,579	47,100,000
(g) EDCL Seppa Dunkho Hydro Electric Pvt. Ltd. 400,000 (950,000) Equity Shares of ` 10/- each fully paid-up	19,831,579	47,100,000
(h) EDCL Seppa Jung Power Pvt. Ltd. 200,000 (450,000) Equity Shares of ` 10/- each fully paid-up	9,822,222	22,100,000
(i) EDCL Seppa Kawa Power Pvt. Ltd. 400,000 (950,000) Equity Shares of ` 10/- each fully paid-up	19,831,579	47,100,000
(j) EDCL Seppa Lada Hydro Electric Pvt. Ltd. 400,000 (950,000) Equity Shares of ` 10/- each fully paid-up	19,831,579	47,100,000
(k) EDCL Seppa Marjingla Hydro Electric Pvt. Ltd. 400,000 (950,000) Equity Shares of ` 10/- each fully paid-up	19,831,579	47,100,000
(l) EDCL Seppa Nire Hydro Electric Pvt. Ltd. 200,000 (400,000) Equity Shares of ` 10/- each fully paid-up	9,800,000	19,600,000
(m) EDCL Seppa Pachuk Power Pvt. Ltd. 400,000 (950,000) Equity Shares of ` 10/- each fully paid-up	19,831,579	47,100,000
(n) EDCL Seppa Riang Power Pvt. Ltd. 100,000 (150,000) Equity Shares of ` 10/- each fully paid-up	4,733,333	7,100,000
(o) EDCL Tawang Lower Tsachu Hydro Electric Pvt. Ltd. 25,000 (25,000) Equity Shares of 10/- each fully paid-up	850,000	850,000
(p) EDCL Tawang Power Pvt. Ltd. 25,000(25,000) Equity Shares of ` 10/- each fully paid-up	850,000	850,000
(q) EDCL Tawang Upper Tsachu Hydro Electric Pvt. Ltd. 25,000 (25,000) Equity Shares of ` 10/- each fully paid-up	850,000	850,000
(r) EDCL Arunachal Hydro Project Pvt. Ltd. 10,000(10,000) Equity Shares of ` 10/- each fully paid-up	100,000	100,000
	145,995,029	334,050,000

**(A)**

**486,694,969                      674,250,000**



	As at 31st March 2015	As at 31st March 2014
<b>Investment in 10% Cumulative Redeemable Preference Shares of Subsidiary companies (Unquoted)</b>		
(s) EDCL Seppa Rieng Power Pvt. Ltd. NIL, (50,000) Preference Shares of ` 100/- each fully paid-up	-	5,000,000
(t) EDCL Tawang Lower Tsachu Hydro Electric Pvt. Ltd. NIL, (400,000) Preference Shares of ` 100/- each fully paid-up	-	40,000,000
(u) EDCL Tawang Power Pvt. Ltd. NIL, (400,000) Preference Shares of ` 100/- each fully paid-up	-	40,000,000
(v) EDCL Tawang Upper Tsachu Hydro Electric Pvt. Ltd. NIL, (300,000) Preference Shares of ` 100/- each fully paid-up	-	30,000,000
(w) Ayyappa Hydro Power Limited 22,000,000 (22,000,000) Preference Shares of ` 10/- each fully paid-up [ Refer Note (i) below]	<b>220,000,000</b>	220,000,000
<b>(B)</b>	<b>220,000,000</b>	335,000,000
<b>Investment in PMS (Unquoted)</b>		
(x) Sai Rayalaseema Paper Mills Ltd. 18,810 (18,810) equity shares of ` 10/- each fully paid up	<b>228,542</b>	228,542
<b>(C)</b>	<b>228,542</b>	228,542
<b>Total ( A+B+C)</b>	<b>706,923,511</b>	1,009,478,542
<b>Aggregate amount of unquoted investments</b>	<b>706,923,511</b>	1,009,478,542

- (i) The shares held in Ayyappa Hydro Power Ltd., a subsidiary are pledged (3,00,00,000 equity shares and 2,20,00,000 preference shares) with the lender of the said subsidiary.
- (ii) The various subsidiaries [mentioned in (d to q) & (s to v) above] of the company on completion of prefeasibility report have been granted permission for setting up of certain hydel power plants, having aggregate capacity of 572 MW hydel power plant by the Government of Arunachal Pradesh and Uttarakhand. Project survey, geological investigation and formulation of Detailed Project Report (DPR) and other allied works are under progress. These investments being strategic and long term in nature, there is no permanent diminution and therefore no provision has been considered necessary.


**NOTE 13  
LONG TERM LOANS AND ADVANCES**
**(Unsecured, considered good)**

	As at 31st March 2015	As at 31st March 2014
Security Deposits/Retention money with customers	10,504,938	7,384,969
Other Security Deposits	4,063,844	4,557,563
Loan to Related parties - Subsidiaries (Refer Note 27) (*) (**)	13,219,764	373,856,733
Advance Income Tax (Net of provisions)	44,412,124	37,832,512
MAT Credit Entitlement	39,715,860	39,715,860
Other Advances (Refer Note 18)	221,000	-
	<b>112,137,530</b>	<b>463,347,636</b>

**(\*) Particulars of loans to subsidiaries**

Ayyappa Hydro Power Ltd.	3,700,001	20,400,100
[Maximum amount during the year ` 4,34,80,062/- (P.Y ` 29,27,92,099/-)]		
EDCL Arunachal Hydro Projects Pvt. Ltd.	1,000,000	1,000,000
[Maximum amount during the year ` 16,00,000/- (P.Y ` 10,00,000/-)]		
EDCL Power Projects Ltd.	1,850,000	23,050,000
[Maximum amount during the year ` 2,92,50,000/- (P.Y ` 3,32,50,000/-)]		
EDCL Seppa Beyond Hydro Electric Pvt. Ltd.	594,341	8,694,341
[Maximum amount during the year ` 2,36,94,341/- (P.Y ` 86,94,341/-)]		
EDCL Seppa Dunkho Hydro Electric Pvt. Ltd.	841,511	17,241,511
[Maximum amount during the year ` 2,89,91,511/- (P.Y ` 1,72,41,511)]		
EDCL Seppa Jung Power Pvt. Ltd.	406,605	5,406,605
[Maximum amount during the year ` 94,56,605/- (P.Y ` 54,06,605/-)]		
EDCL Seppa Kawa Power Pvt. Ltd.	303,208	9,203,208
[Maximum amount during the year ` 2,23,03,208/- (P.Y ` 92,03,208/-)]		
EDCL Seppa Lada Hydro Electric Pvt. Ltd.	456,134	12,706,134
[Maximum amount during the year ` 2,94,56,134/- (P.Y ` 1,27,06,134/-)]		
EDCL Seppa Marjingla Hydro Electric Pvt. Ltd.	212,511	20,462,511
[Maximum amount during the year ` 4,19,12,511/- (P.Y ` 2,04,62,511/-)]		
EDCL Seppa Nire Hydro Electric Pvt. Ltd.	335,379	5,435,379
[Maximum amount during the year ` 92,35,379/- (P.Y ` 54,35,379/-)]		
EDCL Seppa Pachuk Power Pvt. Ltd.	1,128,183	33,918,183
[Maximum amount during the year ` 6,17,28,183/- (P.Y 3,39,18,183/-)]		
EDCL Seppa Rieng Power Pvt. Ltd.	385,378	4,535,378
[Maximum amount during the year ` 88,85,378/- (P.Y ` 45,35,378/-)]		
EDCL Tawang Lower Tsachu Hydro Electric Pvt. Ltd.	138,573	15,838,573
[Maximum amount during the year ` 3,66,38,573/- (P.Y ` 1,58,38,573/-)]		
EDCL Tawang Power Pvt. Ltd.	969,435	21,769,435
[Maximum amount during the year ` 4,15,69,435/- (P.Y ` 2,17,69,435/-)]		
EDCL Tawang Upper Tsachu Hydro Electric Pvt. Ltd.	298,505	4,748,505
[Maximum amount during the year ` 97,98,505/- (P.Y ` 47,48,505/-)]		
Eastern Ramganga Valley Hydel Projects Pvt. Ltd.	400,000	108,765,586
[Maximum amount during the year ` 11,80,95,586/- (P.Y ` 10,87,65,586/-)]		
Sarju Valley Hydel Projects Company Pvt. Ltd.	200,000	60,681,284
[Maximum amount during the year ` 6,58,61,284/- (P.Y ` 6,06,81,284/-)]		
	<b>13,219,764</b>	<b>373,856,733</b>

(\*\*) These loans to subsidiaries have been given for business purposes. They are repayable in Financial Year 2016-17 and are interest bearing.



	As at 31st March 2015	As at 31st March 2014
<b>NOTE 14</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
<b>Other bank balances</b>	-	1,500,000
- on Margin Money Accounts		
(with more than 12 months maturity) (Refer Note 17)	<u>-</u>	<u>1,500,000</u>

<b>NOTE 15</b>		
<b>INVENTORIES</b>		
<b>(At Lower of Cost or Market Value)</b>		
(As taken, valued and certified by the management)		
Contract work-in-progress	20,971,969	18,675,854
Goods in transit	325,388	-
Stores, Spares and Consumables	4,616,366	5,148,986
	<u>25,913,723</u>	<u>23,824,840</u>

<b>NOTE 16</b>		
<b>TRADE RECEIVABLES</b>		
<b>(Unsecured, considered good)</b>		
Outstanding for a period of more than six months	49,846,712	23,177,805
Other Debts (*)	38,677,479	101,674,741
	<u>88,524,191</u>	<u>124,852,546</u>
<b>(Unsecured, considered doubtful)</b>		
Outstanding for a period of more than six months	-	24,204,059
Less : Provision for bad & doubtful debt	-	24,204,059
	<u>-</u>	<u>-</u>
	<u>88,524,191</u>	<u>124,852,546</u>

(\*) [Includes `NIL (Previous Year ` 28,016,966/-) receivable from subsidiaries] (Refer Note 27)

- Trade receivables in respect of sale of power from generation by 6MW Harangi-11 SHP, are subject to a charge in favour of lenders of one of the subsidiaries.

<b>NOTE 17</b>		
<b>CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
- Balance with Banks on Current Accounts	5,308,823	10,311,548
- Cash on hand	854,691	323,000
	<u>6,163,513</u>	<u>10,634,548</u>
<b>Other bank balances</b>		
- on Unpaid Dividend Account	752,761	603,296
- on Margin Money Accounts (*)	28,825,000	48,305,733
(with less than 12 months maturity)	<u>29,577,761</u>	<u>48,909,029</u>
	<u>35,741,274</u>	<u>59,543,577</u>

(\*) Margin money include ` 2,87,30,000/- (previous year ` 4,82,10,733/-) are lying with banks against bank guarantees issued and ` 95,000/- (previous year ` 95,000/-) as security deposit with Sales Tax Authorities.





	As at 31st March 2015	As at 31st March 2014
<b>NOTE 18</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
<b>(Unsecured, considered good)</b>		
Advance to suppliers	16,496,612	16,577,035
Prepaid expenses	3,293,868	2,968,518
Balance with Government authorities	2,800,000	2,800,000
Other Advances <sup>(*)</sup> <sup>(**)</sup>	4,296,903	3,709,170
	<u>26,887,383</u>	<u>26,054,723</u>

(\*) (a) [Includes ` 14,71,175/- (Previous Year ` Nil ) receivable from subsidiaries] (Refer Note 27)

(\*\*) (b) Other Advances includes ` 4,11,586/- (Previous Year ` 801,721/-) under Short Term Loans and Advances and ` 2,21,000 (Previous Year ` NIL/-) under Long Term Loans and Advances in respect of loan to employees. Maximum outstanding ` 11,68,370/- (Previous Year ` 2,191,952/-)

	33,198,158	34,063,498
<b>NOTE 19</b>		
<b>OTHER CURRENT ASSETS</b>		
<b>(Unsecured, considered good)</b>		
Interest Receivable (*)	<u>33,198,158</u>	<u>34,063,498</u>

(\*) Includes ` 29,152,905/- (Previous Year ` 28,350,706/- ) receivable from subsidiaries] (Refer Note 27)

	Year ended 31st March 2015	Year ended 31st March 2014
<b>NOTE 20</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Products		
- Hydro power	115,120,382	149,337,105
- Wind power	19,791,017	23,340,859
- Construction contracts	70,475,592	70,651,899
- Traded goods	10,190,207	71,566,879
	<u>215,577,198</u>	<u>314,896,742</u>
Sale of Services	2,303,380	81,573,360
Less : Service Tax	253,380	8,973,360
	<u>2,050,000</u>	<u>72,600,000</u>
	<u>217,627,198</u>	<u>387,496,742</u>

<b>Total number of the units generated and sold (In million units)</b>		
- Hydro power	32.13 m.u.	41.93 m.u.
- Wind power	5.82 m.u.	6.86 m.u.

<b>NOTE 21</b>		
<b>OTHER INCOME</b>		
Interest Income on loans & deposits <sup>(*)</sup>	56,201,168	38,642,750
Profit on Sale of fixed assets	-	23,656,199
Profit on Sale of investments (Long Term) (Refer Note 27)	1,945,029	-
Insurance Claim Received	1,691,293	-
Liability & Provision no longer required written back	1,978,472	414,867
Miscellaneous income	4,811	500
	<u>61,820,773</u>	<u>62,714,317</u>

(\*) [Includes ` 52,374,083/- (Previous year ` 31,500,786/-) as income from loans given to subsidiaries] (Refer Note 27)



	Year ended 31st March 2015	Year ended 31st March 2014
<b>NOTE 22</b>		
<b>Cost of materials consumed - Broad Heads(*)</b>		
Steel	28,912,708	26,373,659
Cement	5,287,048	5,776,030
Aggregate	9,007,052	9,053,749
Others	7,005,847	8,300,003
	<u>50,212,655</u>	<u>49,503,441</u>

(\*) The entire consumption is out of indigenous supplies.

<b>Purchase of Stock-in-Trade - Broad Heads(**)</b>		
Main Inlet Valve & Accessories	-	12,764,963
Turbine Auxiliaries & Electrical Systems	-	44,225,565
Turbine Parts	-	9,276,307
Hydraulic Hoist System with Structure	2,295,000	-
Others	-	4,425,642
	<u>2,295,000</u>	<u>70,692,477</u>

(\*\*) Includes imported supplies of ` Nil (Previous year ` 1,03,90,426/-).

<b>Changes in inventories of finished goods, work-in-progress and Stock-in-Trade</b>		
Opening stock of Contract Work-in-Progress	18,675,854	39,422,411
Less :Closing stock of Contract Work-in-Progress	20,971,969	18,675,854
	<u>(2,296,115)</u>	<u>20,746,557</u>

## NOTE 23

### EMPLOYEE BENEFITS EXPENSES

Salaries & Wages	23,389,981	49,274,037
Contribution to Provident and other Funds	1,118,214	92,097
Staff welfare expenses	2,112,075	4,436,920
	<u>26,620,270</u>	<u>53,803,054</u>

#### Employees Benefits :

The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006 (AS-15), are given below :

##### (i) Defined Contribution Scheme

Contribution to Defined Contribution Plan, recognized for the year are as under :

Employer's Contribution to Provident Fund ` 131,598/- (Previous year ` 108,074/-)

Employer's Contribution to Pension Fund ` 298,766/- (Previous year ` 244,919/-)

##### (ii) Defined Benefit Scheme

The employee's gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Leave Encashment is recognized in the same manner as gratuity.



(` in lacs)

	Particulars	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)
	<b>Expenses Recognized in the Statement of Profit &amp; Loss</b>	<b>31.03.2015</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2014</b>
1	Current Service Cost	10.73	7.90	13.14	10.11
2	Interest Cost	6.36	3.44	5.62	3.23
3	Expected return on plan assets	(5.65)	-	(5.16)	-
4	Actuarial Losses/(Gains)	(5.34)	(7.94)	(16.54)	(12.64)
	<b>Total Expenses</b>	<b>6.10</b>	<b>3.40</b>	<b>(2.94)</b>	<b>0.70</b>
	<b>Change in the obligation during the year</b>				
1	<b>Present value of Defined Benefit Obligation at the beginning of the year</b>	<b>70.47</b>	<b>38.80</b>	<b>68.59</b>	<b>40.71</b>
2	Current Service Cost	10.73	7.90	13.14	10.11
3	Interest Cost	6.36	3.44	5.62	3.23
4	Acquisition Cost/(Credit)	(21.08)	(10.78)	-	-
5	Benefit Paid	(3.43)	(3.24)	-	(2.61)
6	Actuarial (Gains)/Losses	(5.35)	(7.94)	(16.88)	(12.64)
7	<b>Present value of Defined Benefit Obligation at the end of the year</b>	<b>57.70</b>	<b>28.18</b>	<b>70.47</b>	<b>38.80</b>
	<b>Change in Assets during the year ended March 31, 2015</b>				
1	<b>Plan Assets at the beginning of the year</b>	<b>64.51</b>	<b>-</b>	<b>54.95</b>	<b>-</b>
2	Contribution by Employer	0.05	-	4.74	-
3	Acquisition Adjustment	(27.27)	-	-	-
4	Expected return on plan assets	5.65	-	5.16	-
5	Benefit Paid	(3.43)	-	-	-
6	Actuarial Gains/(Losses)	(0.01)	-	(0.34)	-
	<b>Plan Assets at the end of the year</b>	<b>39.50</b>	<b>-</b>	<b>64.51</b>	<b>-</b>
	<b>Reconciliation of Net Asset/(Liability) recognised in the Balance Sheet during the year ended March 31, 2015</b>				
1	<b>Net Asset/(Liability) at beginning of the year</b>	<b>(5.96)</b>	<b>(38.80)</b>	<b>(13.64)</b>	<b>(40.71)</b>
2	Acquisitions	(6.19)	10.78	-	-
3	Employer (Expense)/Credit	(6.10)	(3.40)	2.94	(0.70)
4	Employer Contributions	0.05	3.24	4.74	2.61
5	<b>Net Asset/(Liability) at the end of the year</b>	<b>(18.20)</b>	<b>(28.18)</b>	<b>(5.96)</b>	<b>(38.80)</b>
	<b>Actuarial Assumptions</b>				
1	Discount Rate	7.8%	7.8%	8.2%	8.2%
2	Expected Rate of Return on Plan Assets	9.0%	Not Applicable	9.0%	Not Applicable
3	Rate of Salary Increases	10.0%	10.0%	10.0%	10.0%

(iii) Disclosure in terms of Para 120(n) of AS 15

(` in lacs)

Particulars	Gratuity (Funded)				
	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
Present value of defined benefit obligations	(57.70)	(70.47)	(68.59)	(56.60)	(50.98)
Fair value of plan assets	39.50	64.51	54.95	46.83	36.07
Surplus/(Deficit)	(18.20)	(5.96)	(13.64)	(9.77)	(14.91)
Experience adjustment on plan liabilities (loss)/gain	14.06	6.03	3.95	4.09	(0.34)
Experience adjustment on plan assets (loss)/gain	(0.01)	(0.34)	(0.16)	(0.22)	(0.32)
Actuarial Gain/(Loss) due to change in assumptions	(8.71)	10.85	(3.59)	2.36	-



## (iv) Details of Plan assets

	31.03.2015	31.03.2014
Other assets including under scheme of insurance	100%	100%

## Notes :

- (a) Assumptions related to future salary increases, attrition, interest rate for discount and overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.
- b) During the year, certain employees of the company have been transferred to subsidiary companies without affecting their terms of employment and accordingly figures for the current year are not comparable with corresponding figures of the previous year.

	Year ended 31st March 2015	Year ended 31st March 2014
Interest Expenses		
On Cash-Credit	6,855,575	8,880,129
On other borrowings	65,177,557	71,705,184
On others	3,547,739	6,466,308
	<u>75,580,871</u>	<u>87,051,621</u>
Other borrowing costs	1,400,692	807,247
	<u>76,981,563</u>	<u>87,858,868</u>

## NOTE 24 FINANCE COSTS

## Interest Expenses

On Cash-Credit	6,855,575	8,880,129
On other borrowings	65,177,557	71,705,184
On others	3,547,739	6,466,308
	<u>75,580,871</u>	<u>87,051,621</u>
Other borrowing costs	1,400,692	807,247
	<u>76,981,563</u>	<u>87,858,868</u>

## NOTE 25 OTHER EXPENSES

## Payment to Auditors (excluding Service tax):

- As Auditors	250,000	250,000
- For Taxation matters	360,000	100,000
- Other Services	167,500	150,500
Cost of Power Purchased	2,323,739	2,000,878
Stores and Spares consumed (*)	1,815,465	607,974
Contract and Service Charges	20,852,095	38,414,454
Discount & Rebate	2,203,774	2,896,890
Rent	5,290,280	5,428,275
Repairs & Maintenance :		
- Plant & Machinery	9,680,253	7,520,810
- Others	1,984,336	3,165,316
Rates & Taxes	8,224,625	8,964,709
Travelling & Conveyance Expenses	3,593,796	7,038,164
Insurance	1,207,911	963,391
Legal & Professional charges	5,813,302	10,675,715
Security Services.	1,666,011	1,822,983
Telephone,Fax,Postal etc.	1,292,641	1,522,360
Provision for bad & doubtful debts	-	12,408,750
Bad Debts & Irrecoverable balance written off (Previous Year ` 3,13,55,578/-)	24,205,271	
Less : Provision for Doubtful Debts Written Back (Previous Year ` 3,11,68,118/-)	(24,204,059)	
Miscellaneous Expenses(**)	4,367,466	7,458,745
	<u>71,094,405</u>	<u>111,577,374</u>



- (\*) Value of consumption of stores and spare parts:  
 (i) The entire consumption is out of indigenous supplies.  
 (ii) Consumption as above includes ` 149,974/- (Previous year ` 309,064/-) on account of amortisation of spares.  
 (iii) Stores and Spare parts included in inventory are largely consumed as replacements and hence their consumption may not be comparable on a year on year basis.  
 (\*\*) Includes Net Loss on foreign currency transactions of ` (-)13,17,008/- (Previous Year : ` 5.30.604/-)

Particulars	As at 31st March, 2015	As at 31st March, 2014
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**NOTE 26**  
**CONTINGENT LIABILITIES AND COMMITMENTS**  
(To the extent not provided for)

**Contingent Liabilities**

a) Claims against the company not acknowledged as debts		
i) Income Tax matters under disputes and pending in appeal	119,430,590	125,300,100
ii) Sales Tax matters under disputes and pending in appeal	23,919,314	7,902,703

The Company's pending litigation comprise of proceedings with income tax and sales tax authorities. The company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The company does not expect the outcome of these proceedings to have material impact on its financial position. Future cash outflows if any in respect of (i) and (ii) above are dependent upon the outcome of the decision/judgements.

**b) Guarantees :**

i) The company has given guarantee in respect of loan taken by one of its subsidiaries.		
- Outstanding Loan Balance	902,499,878	583,622,488
ii) Bank guarantees given	114,247,677	81,464,933

**b) Commitments :**

Estimated amount of contracts remaining to be executed on capital account (net of advances)	244,288,027	235,077,791
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**NOTE 27**

**RELATED PARTY DISCLOSURES PURSUANT TO ACCOUNTING STANDARD - 18**

<b>(a)</b>	<b>Key Management Personnel and their relative</b>
	Mr.Sanjiv Saraf (Executive Director)
	Mrs.Indira Saraf (Wife of the Executive Director)
<b>(b)</b>	<b>Subsidiary Companies</b>
1	Ayyappa Hydro Power Limited
2	EDCL Power Projects Ltd.
3	Eastern Ramganga Valley Hydel Projects Co. Pvt. Ltd.
4	Sarju Valley Hydel Projects Company Pvt. Ltd.
5	Arunachal Hydro Power Ltd. ( with effect from 09.04.2013)



	<b>Subsidiaries of Arunachal Hydro Power Ltd. :-</b>
(i)	EDCL Arunachal Hydro Projects Pvt. Ltd.
(ii)	EDCL Seppa Beyong Hydro Electric Pvt. Ltd.
(iii)	EDCL Seppa Dunkho Hydro Electric Pvt. Ltd.
(iv)	EDCL Seppa Jung Power Pvt. Ltd.
(v)	EDCL Seppa Kawa Power Pvt. Ltd.
(vi)	EDCL Seppa Lada Hydro Electric Pvt. Ltd.
(vii)	EDCL Seppa Marjingla Hydro Electric Pvt. Ltd.
(viii)	EDCL Seppa Nire Hydro Electric Pvt. Ltd.
(ix)	EDCL Seppa Pachuk Power Pvt. Ltd.
(x)	EDCL Seppa Riang Power Pvt. Ltd.
(xi)	EDCL Tawang Lower Tsachu Hydro Electric Pvt. Ltd.
(xii)	EDCL Tawang Power Pvt. Ltd.
(xiii)	EDCL Tawang Upper Tsachu Hydro Electric Pvt. Ltd.
<b>(c)</b>	<b>Individuals having significant influence directly or indirectly (Promoter and their relatives)</b>
1	Mr. Amar Singh (Non Executive Chairman )
2	Mrs.Pankaja Kumari Singh (Wife of the Non Executive Chairman)
<b>(d)</b>	<b>Enterprises over which individuals mentioned in (c) above exercises significant influence</b>
1	Startrack Vinimay Private Limited
2	Sarvottam Caps Private Limited

The aggregate amount of transactions with the related parties as mentioned in (a) above is as below :

Particulars	2014-15	2013-14
<b>Transactions during the year :</b>		
<b>Remuneration :</b>		
Mr. Sanjiv Saraf	4,820,000	4,820,000
<b>Rent Paid</b>		
Mrs. Indira Saraf	958,320	871,200



The aggregate amount of transactions with the related parties as mentioned in (b) above is as given below :

(i) Investments in shares of subsidiaries :

(Amount in `)

	Subsidiary Company	Transactions during the year				Outstanding Balances as at the year end			
		Investment in Equity shares		Investment in Preference shares		Investment in Equity shares		Investment in Preference shares	
		2014-15	2013-14	2014-15	2013-14	31.03.2015	31.03.2014	31.03.2015	31.03.2014
1	AYYAPPA HYDRO POWER LIMITED	-	100,000,000	-	220,000,000	300,000,000	300,000,000	220,000,000	220,000,000
2	EASTERN RAMGANGA VALLEY HYDEL PROJECTS CO. PVT. LTD.	-	-	-	-	100,000	100,000	-	-
3	EDCL ARUNACHAL HYDRO PROJECT PVT. LTD.	-	-	-	-	100,000	100,000	-	-
4	EDCL POWER PROJECTS LIMITED	-	-	-	-	40,000,000	40,000,000	-	-
5	EDCL SEPPA BEYONG HYDRO ELECTRIC PVT. LTD.	-	-	-	-	19,831,579	47,100,000	-	-
6	EDCL SEPPA DUNKHO HYDRO ELECTRIC PVT. LTD.	-	-	-	-	19,831,579	47,100,000	-	-
7	EDCL SEPPA JUNG POWER PVT. LTD.	-	-	-	-	9,822,222	22,100,000	-	-
8	EDCL SEPPA KAWA POWER PVT. LTD.	-	-	-	-	19,831,579	47,100,000	-	-
9	EDCL SEPPA LADA HYDRO ELECTRIC PVT. LTD.	-	-	-	-	19,831,579	47,100,000	-	-
10	EDCL SEPPA MARJINGLA HYDRO ELECTRIC PVT. LTD.	-	-	-	-	19,831,579	47,100,000	-	-
11	EDCL SEPPA NIRE HYDRO ELECTRIC PVT. LTD.	-	-	-	-	9,800,000	19,600,000	-	-
12	EDCL SEPPA PACHUK POWER PVT. LTD.	-	-	-	-	19,831,579	47,100,000	-	-
13	EDCL SEPPA RIANG POWER PVT. LTD.	-	-	-	-	4,733,333	7,100,000	-	5,000,000
14	EDCL TAWANG LOWER TSACHU HYDRO ELECTRIC PVT. LTD.	-	-	-	-	850,000	850,000	-	40,000,000
15	EDCL TAWANG POWER PVT. LTD.	-	-	-	-	850,000	850,000	-	40,000,000
16	EDCL TAWANG UPPER TSACHU HYDRO ELECTRIC PVT. LTD.	-	-	-	-	850,000	850,000	-	30,000,000
17	SARJU VALLEY HYDEL PROJECTS COMPANY PVT. LTD.	-	-	-	-	100,000	100,000	-	-
18	ARUNACHAL HYDRO POWER LTD.	499,940	-	-	-	499,940	-	-	-
	<b>Total :</b>	<b>499,940</b>	<b>100,000,000</b>	<b>-</b>	<b>220,000,000</b>	<b>486,694,969</b>	<b>674,250,000</b>	<b>220,000,000</b>	<b>335,000,000</b>

(ii) Loans given to subsidiaries :

	Subsidiary Company	Transactions during the year				Outstanding Balances as at the year end	
		Loans Given		Proceeds from Repayment of Loans		Loans	
		2014-15	2013-14	2014-15	2013-14	31.03.2015	31.03.2014
1	AYYAPPA HYDRO POWER LIMITED	103,724,767	255,383,850	120,424,866	430,442,000	3,700,001	20,400,100
2	EASTERN RAMGANGA VALLEY HYDEL PROJECTS CO. PVT. LTD.	9,730,000	13,610,000	118,095,586	-	400,000	108,765,586
3	EDCL ARUNACHAL HYDRO PROJECT PVT. LTD.	600,000	1,000,000	600,000	500,000	1,000,000	1,000,000
4	EDCL POWER PROJECTS LIMITED	23,450,000	30,650,000	44,650,000	25,500,000	1,850,000	23,050,000
5	EDCL SEPPA BEYONG HYDRO ELECTRIC PVT. LTD.	15,400,000	7,542,475	23,500,000	2,000,000	594,341	8,694,341
6	EDCL SEPPA DUNKHO HYDRO ELECTRIC PVT. LTD.	12,100,000	14,813,712	28,500,000	5,000,000	841,511	17,241,511
7	EDCL SEPPA JUNG POWER PVT. LTD.	4,400,000	5,155,485	9,400,000	1,500,000	406,605	5,406,605
8	EDCL SEPPA KAWA POWER PVT. LTD.	13,100,000	8,510,970	22,000,000	2,500,000	303,208	9,203,208
9	EDCL SEPPA LADA HYDRO ELECTRIC PVT. LTD.	16,750,000	10,960,285	29,000,000	1,200,000	456,134	12,706,134
10	EDCL SEPPA MARJINGLA HYDRO ELECTRIC PVT. LTD.	23,250,000	16,913,712	43,500,000	5,000,000	212,511	20,462,511
11	EDCL SEPPA NIRE HYDRO ELECTRIC PVT. LTD.	3,900,000	4,353,429	9,000,000	-	335,379	5,435,379
12	EDCL SEPPA PACHUK POWER PVT. LTD.	33,710,000	24,819,197	66,500,000	-	1,128,183	33,918,183
13	EDCL SEPPA RIANG POWER PVT. LTD.	4,350,000	4,203,430	8,500,000	1,500,000	385,378	4,535,378
14	EDCL TAWANG LOWER TSACHU HYDRO ELECTRIC PVT. LTD.	20,800,000	10,710,908	36,500,000	2,800,000	138,573	15,838,573
15	EDCL TAWANG POWER PVT. LTD.	20,700,000	15,019,635	41,500,000	2,500,000	969,435	21,769,435
16	EDCL TAWANG UPPER TSACHU HYDRO ELECTRIC PVT. LTD.	5,050,000	4,355,232	9,500,000	2,500,000	298,505	4,748,505
17	SARJU VALLEY HYDEL PROJECTS COMPANY PVT. LTD.	5,380,000	5,150,000	65,861,284	-	200,000	60,681,284
	<b>Total :</b>	<b>316,394,767</b>	<b>433,152,320</b>	<b>677,031,736</b>	<b>482,942,000</b>	<b>13,219,764</b>	<b>373,856,733</b>

**(iii) Interest income on loans given to subsidiaries :**

(Amount in `)

	Subsidiary Company	Transactions during the year		Outstanding Balances as at the year end	
		Interest Income		Interest Receivable	
		2014-15	2013-14	31.03.2015	31.03.2014
1	AYYAPPA HYDRO POWER LIMITED	1,915,898	70,672	1,724,308	63,605
2	EASTERN RAMGANGA VALLEY HYDEL PROJECTS CO. PVT. LTD.	12,831,571	12,466,182	533	11,219,564
3	EDCL ARUNACHAL HYDRO PROJECT PVT. LTD.	155,770	57,403	140,193	51,663
4	EDCL POWER PROJECTS LIMITED	1,984,718	3,063,830	1,786,246	2,757,447
5	EDCL SEPPA BEYONG HYDRO ELECTRIC PVT. LTD.	2,300,609	389,095	2,070,548	350,185
6	EDCL SEPPA DUNKHO HYDRO ELECTRIC PVT. LTD.	2,619,305	843,434	2,357,374	759,091
7	EDCL SEPPA JUNG POWER PVT. LTD.	823,352	189,817	741,017	170,835
8	EDCL SEPPA KAWA POWER PVT. LTD.	2,221,503	328,066	1,999,353	295,259
9	EDCL SEPPA LADA HYDRO ELECTRIC PVT. LTD.	2,902,846	601,688	2,612,561	541,519
10	EDCL SEPPA MARJINGLA HYDRO ELECTRIC PVT. LTD.	3,160,066	1,129,910	2,844,059	1,016,919
11	EDCL SEPPA NIRE HYDRO ELECTRIC PVT. LTD.	815,643	304,442	734,079	273,998
12	EDCL SEPPA PACHUK POWER PVT. LTD.	5,074,707	2,045,566	4,567,236	1,841,009
13	EDCL SEPPA RIANG POWER PVT. LTD.	713,955	178,705	642,559	160,834
14	EDCL TAWANG LOWER TSACHU HYDRO ELECTRIC PVT. LTD.	3,318,010	1,122,180	2,986,209	1,009,962
15	EDCL TAWANG POWER PVT. LTD.	3,587,538	1,491,405	3,228,784	1,342,264
16	EDCL TAWANG UPPER TSACHU HYDRO ELECTRIC PVT. LTD.	797,081	234,944	717,373	211,450
17	SARJU VALLEY HYDEL PROJECTS COMPANY PVT. LTD.	7,151,511	6,983,447	473	6,285,102
	<b>Total :</b>	<b>52,374,083</b>	<b>31,500,786</b>	<b>29,152,905</b>	<b>28,350,706</b>

**(iv) Income from sale of services to subsidiaries :**

	Subsidiary Company	Transactions during the year		Outstanding Balances as at the year end	
		Income from Sale of Services		Trade Receivables	
		2014-15	2013-14	31.03.2015	31.03.2014
1	AYYAPPA HYDRO POWER LIMITED	-	12,000,000	-	1,101,128
2	EASTERN RAMGANGA VALLEY HYDEL PROJECTS CO. PVT. LTD.	-	4,800,000	-	2,426,976
3	EDCL ARUNACHAL HYDRO PROJECT PVT. LTD.	-	-	-	-
4	EDCL POWER PROJECTS LIMITED	-	9,000,000	-	825,846
5	EDCL SEPPA BEYONG HYDRO ELECTRIC PVT. LTD.	-	3,600,000	-	1,820,232
6	EDCL SEPPA DUNKHO HYDRO ELECTRIC PVT. LTD.	-	4,800,000	-	2,426,976
7	EDCL SEPPA JUNG POWER PVT. LTD.	-	2,400,000	-	1,213,488
8	EDCL SEPPA KAWA POWER PVT. LTD.	-	3,600,000	-	1,820,232
9	EDCL SEPPA LADA HYDRO ELECTRIC PVT. LTD.	-	3,600,000	-	1,820,232
10	EDCL SEPPA MARJINGLA HYDRO ELECTRIC PVT. LTD.	-	4,800,000	-	2,426,976
11	EDCL SEPPA NIRE HYDRO ELECTRIC PVT. LTD.	-	2,400,000	-	1,213,488
12	EDCL SEPPA PACHUK POWER PVT. LTD.	-	4,800,000	-	2,426,976
13	EDCL SEPPA RIANG POWER PVT. LTD.	-	2,400,000	-	1,213,488
14	EDCL TAWANG LOWER TSACHU HYDRO ELECTRIC PVT. LTD.	-	4,800,000	-	2,426,976
15	EDCL TAWANG POWER PVT. LTD.	-	4,800,000	-	2,426,976
16	EDCL TAWANG UPPER TSACHU HYDRO ELECTRIC PVT. LTD.	-	2,400,000	-	1,213,488
17	SARJU VALLEY HYDEL PROJECTS COMPANY PVT. LTD.	-	2,400,000	-	1,213,488
	<b>Total :</b>	<b>-</b>	<b>72,600,000</b>	<b>-</b>	<b>28,016,966</b>





(v) Sale of Investments to Subsidiaries :

(Amount in `)

	Subsidiary Company	Transactions during the year	
		Sale consideration on sale of Investments	
		2014-15	2013-14
	ARUNACHAL HYDRO POWER LTD. (*)	305,000,000	-
	<b>Total :</b>	<b>305,000,000</b>	<b>-</b>

(\*) Profit on sale of Investments to the subsidiary is ` 19,45,029/- (P.Y. ` NIL)

(vi) Payment of expenses on behalf of subsidiaries :

	Subsidiary Company	Transactions during the year				Outstanding Balances as at the year end	
		Expenses incurred on behalf		Amount Recovered		Other Receivables	
		2014-15	2013-14	2014-15	2013-14	31.03.2015	31.03.2014
1	AYYAPPA HYDRO POWER LIMITED	5,998,620	172,170	5,145,445	172,170	853,175	-
2	EASTERN RAMGANGA VALLEY HYDEL PROJECTS CO. PVT. LTD.	1,024,981	5,335,074	1,024,981	5,335,074	-	-
3	EDCL ARUNACHAL HYDRO PROJECT PVT. LTD.	354	210	354	72,150	-	-
4	EDCL POWER PROJECTS LIMITED	4,579,948	105,381	4,579,948	105,381	-	-
5	EDCL SEPPA BEYONG HYDRO ELECTRIC PVT. LTD.	347,011	210	347,011	71,094	-	-
6	EDCL SEPPA DUNKHO HYDRO ELECTRIC PVT. LTD.	753,000	210	753,000	106,536	-	-
7	EDCL SEPPA JUNG POWER PVT. LTD.	204,835	210	204,835	42,741	-	-
8	EDCL SEPPA KAWA POWER PVT. LTD.	594,476	4,110	594,476	89,171	-	-
9	EDCL SEPPA LADA HYDRO ELECTRIC PVT. LTD.	388,933	4,110	388,933	83,855	-	-
10	EDCL SEPPA MARJINGLA HYDRO ELECTRIC PVT. LTD.	650,585	22,710	650,585	129,036	-	-
11	EDCL SEPPA NIRE HYDRO ELECTRIC PVT. LTD.	128,081	210	128,081	26,792	-	-
12	EDCL SEPPA PACHUK POWER PVT. LTD.	3,274,075	230,030	3,274,075	378,887	-	-
13	EDCL SEPPA RIANG POWER PVT. LTD.	128,079	4,110	128,079	30,692	-	-
14	EDCL TAWANG LOWER TSACHU HYDRO ELECTRIC PVT. LTD.	903,690	210	903,690	88,815	-	-
15	EDCL TAWANG POWER PVT. LTD.	1,283,697	86,225	1,283,697	245,715	-	-
16	EDCL TAWANG UPPER TSACHU HYDRO ELECTRIC PVT. LTD.	198,683	210	198,683	42,740	-	-
17	SARJU VALLEY HYDEL PROJECTS COMPANY PVT. LTD.	573,330	7,985,671	573,330	7,985,671	-	-
18	ARUNACHAL HYDRO POWER LTD.	16,400	-	16,400	-	-	-
	<b>Total :</b>	<b>21,048,778</b>	<b>13,951,061</b>	<b>20,195,603</b>	<b>15,006,520</b>	<b>853,175</b>	<b>-</b>

(vii) Net Assets/Liabilities for Employee Retirement Benefits transferred to subsidiaries :

	Subsidiary Company	Transactions during the year				Outstanding Balances as at the year end			
		Net Assets transferred (Gratuity)		Net Liabilities transferred (Leave Encashment)		Other Receivables		Payables	
		2014-15	2013-14	2014-15	2013-14	31.03.2015	31.03.2014	31.03.2015	31.03.2014
1	AYYAPPA HYDRO POWER LIMITED	306,000	-	430,000	-	306,000	-	430,000	-
2	EASTERN RAMGANGA VALLEY HYDEL PROJECTS CO. PVT. LTD.	27,000	-	72,000	-	27,000	-	72,000	-
3	EDCL POWER PROJECTS LIMITED	163,000	-	354,000	-	163,000	-	354,000	-
4	EDCL SEPPA PACHUK POWER PVT. LTD.	85,000	-	163,000	-	85,000	-	163,000	-
5	EDCL TAWANG LOWER TSACHU HYDRO ELECTRIC PVT. LTD.	24,000	-	49,000	-	24,000	-	49,000	-
6	SARJU VALLEY HYDEL PROJECTS COMPANY PVT. LTD.	13,000	-	10,000	-	13,000	-	10,000	-
	<b>Total :</b>	<b>618,000</b>	<b>-</b>	<b>1,078,000</b>	<b>-</b>	<b>618,000</b>	<b>-</b>	<b>1,078,000</b>	<b>-</b>



## (viii) Guarantee given to banks on behalf of Subsidiary :

Particular	2014-15 ( ` )	2013-14 ( ` )
Ayyappa Hydro Power Limited (for Business purpose)		
Outstanding balance of such loan	90,24,99,878	58,36,22,488

## The aggregate amount of transactions with the related parties as mentioned in (c) above is as given below :

Particular	2014-15 ( ` )	2013-14 ( ` )
Transaction during the year		
Sitting Fees		
Mr. Amar Singh	110,000	120,000
Mrs. Pankaja Kumar Singh	60,000	60,000

## The aggregate amount of transactions with the related parties as mentioned in (d) above is as given below :

Particulars	2014-15 ,	2013-14 ,
<b>Transactions during the year:</b>		
i) Unsecured Loan received		
– Startrack Vinimay Pvt. Ltd.	33,500,000	130,600,000
– Sarvottam Caps Pvt. Ltd.	50,000,000	26,500,000
ii) Unsecured Loan repaid		
– Startrack Vinimay Pvt. Ltd.	373,100,000	32,500,000
– Sarvottam Caps Pvt. Ltd.	368,000,000	1,000,000
iii) Interest Expenses		
– Startrack Vinimay Pvt. Ltd.	30,018,083	33,312,821
– Sarvottam Caps Pvt. Ltd.	33,165,896	35,908,109
<b>Payable as at the year end :</b>		
Unsecured Loans		
– Startrack Vinimay Pvt. Ltd.	–	339,600,000
– Sarvottam Caps Pvt. Ltd.	–	318,000,000
Interest accrued and due (Payable)		
– Startrack Vinimay Pvt. Ltd.	–	29,981,539
– Sarvottam Caps Pvt. Ltd.	–	25,442,941

## Notes :

- In respect of above parties, there is no provision for doubtful debts as on 31st March 2015 and no amount has been written off or written back during the year in respect of debts due from / to them.
- The above Related Party information is as identified by the Management and relied upon by the auditors.



**NOTE 28  
CONSTRUCTION CONTRACTS DISCLOSURES**

a)	Particulars	2014-15	2013-14
i)	Contract revenue recognised as revenue in the period	70,475,592	142,218,778
ii)	Contract costs incurred upto the reporting date	434,407,465	549,587,260
iii)	Advances received	26,990,635	26,990,635
iv)	Retention money with customers	10,504,938	7,384,969
v)	Gross amount due from customers for contract work	77,716,865	95,895,220

b) In case of long term contracts in operation, the foreseeable losses if any are recognised based on the management's estimation of percentage of completion and cost involved thereagainst.

**NOTE 29  
EARNINGS PER SHARE (EPS) :**

Particulars	2014-15 ( ` )	2013-14 ( ` )
<b>Basic and Diluted Earnings per share has been computed as under :</b>		
Profit/(Loss) after tax for the year	13,800,841	22,068,346
Weighted Average Number of Equity Shares issued (Nos.)	27,500,000	27,500,000
Basic and Diluted Earnings per Share (Face Value ` 10/- per share fully paid up)	0.50	0.80

**NOTE 30  
PAYMENT IN FOREIGN CURRENCY :**

Particulars	2014-15 ( ` )	2013-14 ( ` )
<b>(a) Payment in foreign currency :</b>		
Travelling (*)	-	411,992
Purchase for resale	-	10,390,426

(\*) Net of recovery of ` 9,09,626/- (Previous year ` 1,639,857/-) from Subsidiary companies.

Particulars	2014-15 ( ` )	2013-14 ( ` )
<b>(b) Unhedged foreign currency exposure of the company as at the year end</b>		
Payables		
- Imports		
EURO	80,784	97,330.45
USD	16,660	141,610



## NOTE 31

## SEGMENT REPORTING

Segments have been identified in line with the Accounting Standards AS-17 taking into account the organization structure as well as the differencing risk and return. The Company's business segment comprises of (1) Generation and sale of electricity and (2) Construction, development, implementation, operation & maintenance of projects and consultancies (Contract Division). These have been identified by the type of their respective sales and services rendered.

(Amount in `)

Particulars	Sale of Electricity		Contract Division		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Revenue:</b>						
External sales (*)	134,911,400	172,677,964	82,715,798	214,818,778	217,627,198	387,496,742
<b>Result :</b>						
Segments	84,938,491	111,636,680	(16,185,362)	(14,307,728)	68,753,129	97,328,952
Less-Interest and Finance Charges					76,981,563	87,858,868
Less : Other common expenses (net)					(22,130,820)	2,986,923
Total Profit Before Tax					13,902,386	6,483,161
Provisions For Tax					101,545	(15,585,185)
Profit After Tax					13,800,841	22,068,346
Segments Assets	464,176,022	493,344,454	152,774,296	193,975,231	616,950,318	687,319,684
Unallocable Corporate Assets					891,975,052	1,583,459,034
<b>TOTAL</b>					1,508,925,370	2,270,778,718
Segments Liabilities	4,131,540	2,165,392	78,747,162	119,286,929	82,878,702	121,452,321
Unallocable Corporate Liabilities					86,041,287	804,245,186
<b>TOTAL</b>					168,919,989	925,697,506

(\*) Sales/Income from operations (net of service tax) includes ` 20,50,000/- (Previous Year ` 72,600,000/-) on account of income from consultancy and other services.

Amount in `

Particulars	Sale of Electricity		Contract Division		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Capital expenditure for the segment	15,550	-	2,282,943	5,395,162	2,298,493	5,395,162
Unallocable Corporate Capital Expenditure					282,811	197,400
<b>Total Capital Expenditure</b>					2,581,304	5,592,562
Depreciation and amortisation for the segment	27,462,236	39,460,506	5,530,134	4,424,407	32,992,370	43,884,913
Unallocable Depreciation and amortisation					7,645,437	5,661,213
<b>Total depreciation and amortisation</b>					40,637,807	49,546,126
Non cash expenditure, other than depreciation and amortisation for the segment	150,129	28,974	400	12,559,965	150,529	12,588,939
Unallocable non cash expenditure, other than depreciation and amortisation					657	316,335
<b>Total non cash expenditure, other than depreciation and amortisation</b>					151,186	12,905,274

(a) Revenue and expenses have been identified to segment on the basis of their relationship to the operating activities of the segment. Revenue and expenses which relates to enterprise as a whole and not allocable to segment on a reasonable basis have been included under the head other common expenses.

(b) As the company operates entirely in India no secondary segment has been identified for the above purpose.



### **NOTE 32** **OPERATING LEASES**

The company has taken several premises under cancellable operating leases. The lease term is upto 3 years and have the option of renewal on expiry of the lease period based on mutual agreement of both the parties. Rental expenses towards cancellable operating lease charged to statement of profit and loss amounts to ` 42,99,820 (Previous year ` 25,30,005) and has been disclosed as "Rent" in Note 25 of the financial statement.

The Company has taken certain machineries under cancellable operating leases. The lease term is valid upto 31st March, 2016. Rental expenses towards such cancellable operating lease charged to statement of profit and loss amounts to ` 3,96,000 (Previous Year ` 24,44,280) and has been disclosed as "Rent" in Note 25 of the financial statement.

### **NOTE 33** **COMPARATIVES**

The previous year's figures have been regrouped and rearranged wherever considered necessary .

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As per our Report of even date  
For **Lodha & Co.**  
Chartered Accountants  
Firm ICAI Registration No. 301051E

**H K Verma**  
*Partner*  
Membership No. 55104

Place : Kolkata  
Dated : 28th May, 2015

**For and on behalf of the Board of Directors**

Sd/- **Amar Singh**, *Non Executive Chairman*

Sd/- **Sanjiv Saraf**, *Executive Director*

Sd/- **Sanjay Kumar Gupta**, *Director*

Sd/- **Vijoy Kumar**, *Director*

Sd/- **Amit Damani**, *Chief Financial Officer*

Sd/- **Vijayshree Binnani**, *Dy. Company Secretary*



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

Particulars	For the year ended 31.03.2015		For the year ended 31.03.2014	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>A) Cash Flow From Operating Activities :</b>				
Profit/ (Loss) before taxation		13,902,386		6,483,162
<b>Adjustments for :</b>				
Depreciation & Amortisation	40,637,807		49,546,126	
Amortisation of Stores, Spares & Tools	149,974		309,064	
Interest & Finance Charges	76,981,563		87,858,868	
(Profit)/Loss on Sale of Fixed Assets (Net)	–		(23,656,199)	
(Profit)/Loss on Sale of Investments (Net)	(1,945,029)		–	
Interest Received	(56,201,168)		(38,642,750)	
Provision for bad & doubtful debts	–		12,408,750	
Bad debts and advances written off	24,205,271		31,355,578	
Provision for doubtful debts written back	(24,204,059)		(31,168,118)	
Liability no longer required written back	(1,978,472)	57,645,887	(95,441)	87,915,877
<b>Operating Profit before Working Capital Changes</b>		71,548,273		94,399,038
<b>Adjustments for :</b>				
(Increase)/Decrease in Inventory	(2,238,857)		21,254,081	
(Increase)/Decrease in Trade and Other receivables	32,647,232		193,845,637	
Increase/(Decrease) in Trade and Other payables	(37,245,751)	(6,837,376)	(23,376,735)	191,722,983
<b>Cash generated from operations</b>		64,710,897		286,122,021
Direct Taxes paid (Net of refund)		(7,199,612)		(28,456,644)
<b>Net Cash Flow from Operating Activities</b>		57,511,285		257,665,377
<b>B) Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets		(2,581,304)		(4,832,562)
Sale of Fixed Assets		7,009,518		36,000,000
Sale of Investments		305,000,000		–
Purchase on Investments		(499,940)		(320,000,000)
Deposit / redemption of Margin Money and other bank balances		20,831,268		(3,682,564)
Loan (Given) / Proceeds on repayment		360,636,969		–
Interest Received		57,066,509		34,600,792
<b>Net Cash Flow from Investing Activities</b>		747,463,020		(257,914,334)
<b>C) Cash Flow from Financing Activities</b>				
Proceeds from / (repayments) of borrowings		(663,407,836)		94,317,730
Interest & Finance Charges		(129,950,692)		(79,877,557)
Dividend Paid		(13,750,000)		(22,000,000)
Dividend Distribution Tax Paid		(2,336,813)		(3,738,900)
<b>Net Cash flow from Financing Activities</b>		(809,445,341)		(11,298,727)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		(4,471,036)		(11,547,684)
<b>Cash and Cash equivalents at the beginning of the year</b>		10,634,548		22,182,232
<b>Cash and Cash equivalents at the end of the year (Refer Note 17)</b>		6,163,512		10,634,548

### Notes :

- 1) Cash Flow Statement is prepared by the indirect method as set out in Accounting Standard - 3 on Cash Flow Statement.
- 2) Cash & Cash Equivalents presented in the statement consists of cash on hand and balances with banks on current account as on the balance sheet date.
- 3) Previous year's figures have been re-grouped/rearranged wherever considered necessary.

As per our Report of even date  
For **Lodha & Co.**  
Chartered Accountants  
Firm ICAI Registration No. 301051E

**H K Verma**  
Partner  
Membership No. 55104

Place : Kolkata  
Dated : 28th May, 2015

### For and on behalf of the Board of Directors

Sd/- **Amar Singh**, Non Executive Chairman  
Sd/- **Sanjiv Saraf**, Executive Director  
Sd/- **Sanjay Kumar Gupta**, Director  
Sd/- **Vijoy Kumar**, Director  
Sd/- **Amit Damani**, Chief Financial Officer  
Sd/- **Vijayshree Binnani**, Dy. Company Secretary



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENERGY DEVELOPMENT COMPANY LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Energy Development Company Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 thereunder. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to Note 27 to the financial statements which describes that various subsidiaries are setting up hydel power plants wherein project survey, geological investigation and formulation of Detailed Project Report (DPR) and other allied works



are under progress. Pending approval of DPR and determination of viability thereof, administrative and other expenses including finance cost incurred by these subsidiaries aggregating to ₹ 23,048.67 lacs are being carried forward as pre operative expenses under Capital Work In Progress in the financial statements of these subsidiaries. Adjustments in this respect or allocation thereof to the project cost etc. will be carried out on determination of implementation status of the project.

Our opinion is not modified in respect of this matter.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Holding Company and subsidiary companies as on March 31, 2015, taken on record by the respective Board of Directors, none of the directors of the Group is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.
  - f) With respect to the other matters to be 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. Pending litigations (other than those already recognised in the financial statements) having material impact on the financial position of the Group have been disclosed in the financial statements as required in terms of relevant accounting standards and provisions of the Act;
    - ii. As explained to us, the Group has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts, including derivative contracts (Note 28(b));
    - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

For **Lodha & Co.**  
Chartered Accountants  
Firm ICAI Registration No. 301051E

Sd/- **H K Verma**  
*Partner*  
Membership No. 55104

Place : Kolkata  
Dated : 28th May, 2015





## ANNEXURE TO AUDITORS' REPORT

### ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE

- i) (a) The Group has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Group and nature of its business. No material discrepancies in respect of the assets verified during the year were noticed.
- ii) (a) The inventory has been physically verified during the year by the management at reasonable intervals.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Group and the nature of its business.
- (c) The Group is maintaining proper records of inventories and discrepancies noticed on the physical verification of inventory, as explained, were not material as compared to the book records.
- iii) According to the information and explanations given to us, the Group has not granted any loans, secured and unsecured to any company, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of Clause 3 (iii) of the Order are not applicable to the Group.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Group and the nature of its business with regard to purchases of inventory, fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct weaknesses in the internal control system.
- v) The Group has not accepted any deposits from the public and accordingly, the provisions of Section 73 to 76 or any other relevant provisions of the Act are not applicable.
- vi) We have broadly reviewed the cost records and accounts prescribed by the Central Government under section 148(1) of the Act of the Holding Company and subsidiaries to the extent applicable to them and are of the opinion that prima-facie, such records have been maintained by the Group. However, we have not carried out any detailed examination of such accounts and records.
- vii) (a) According to the information and explanations given to us, except in respect of tax deducted at source and professional tax, the Group is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of aforesaid dues for a period of more than six months from the date they become payable except ` 6,45,945 and ` 20,115 in respect of tax deducted at source and professional tax respectively.
- (b) According to the information and explanations given to us and the records of the Group examined by us, there are no dues of Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited on account of dispute except as given below :

Statute	Nature of Tax	Forum where Dispute is Pending	Amount ( ` )	Period to which amount relates
The Income Tax Act, 1961	Income Tax	CIT (Appeals)	11,94,30,590	2005-06, 2010-11, 2011-12
The West Bengal Value Added Tax Rules, 2005	Sales Tax	Joint Commissioner	2,39,19,314	2010-11 and 2011-12

- (c) According to the information and explanations given to us, there are no amounts due to be transferred to Investor Education and Protection Fund.



- viii) The Group does not have any accumulated losses as at the end of the financial year. The Group has incurred cash losses during the financial year covered by our audit but had not incurred any cash losses in the immediately preceding financial year.
- ix) The Group has not defaulted in repayment of dues to banks and financial institutions during the year except as given below :

Nature of Due	Principal default		Interest default	
	Amount due ( ` )	Default From	Amount due ( ` )	Default From
Term Loan-Banks	1,25,00,000	31.03.2014 to 25.06.2014	75,16,177	31.01.2014 to 29.04.14
			67,70,368	28.02.2014 to 29.05.14
			68,35,943	31.03.2014 to 25.06.2014
	1,50,00,000	30.06.2014 to 25.09.2014	71,27,856	30.04.2014 to 28.08.2014
			73,53,538	30.05.2014 to 06.09.2014
			70,57,190	30.06.2014 to 06.09.2014
			71,50,812	31.07.2014 to 06.09.2014
			72,69,726	31.08.2014 to 06.09.2014

There are no defaults existing as at the Balance Sheet date. The Group has no dues to debenture holders.

- x) According to the information and explanations given to us, the Group has not given any guarantee for loans taken by others from banks or financial institutions and as such the provisions of Clause 3(x) of the Order are not applicable to the Group.
- xi) According to the information and explanations given to us, term loans have been utilised for the purposes for which it has been obtained.
- xii) During the course of our examinations of the books of accounts carried out in accordance with the generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Group, nor have we been informed of any such case by the management.

For **Lodha & Co.**  
Chartered Accountants  
Firm ICAI Registration No. 301051E

Sd/- **H K Verma**  
Partner  
Membership No. 55104

Place : Kolkata  
Dated : 28th May, 2015



## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	Amount in `	
		As at 31st March 2015	As at 31st March 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	275,000,000	275,000,000
Reserves and Surplus	3	771,823,267	908,133,713
		<u>1,046,823,267</u>	<u>1,183,133,713</u>
<b>Preference Shares (Issued by subsidiaries outside the group)</b>		2,230,000,000	335,000,000
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	1,309,999,878	2,859,700,000
Long term provisions	5	6,579,000	4,631,000
		<u>1,316,578,878</u>	<u>2,864,331,000</u>
<b>Current Liabilities</b>			
Short-term borrowings	6	46,407,442	46,215,278
Trade payables	7	87,750,137	101,730,029
Other current liabilities	8	168,001,592	328,867,078
Short-term provisions	9	17,828,176	16,251,813
		<u>319,987,347</u>	<u>493,064,198</u>
<b>Total</b>		<u>4,913,389,492</u>	<u>4,875,528,911</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
– Tangible assets	10	2,092,324,463	2,217,330,812
– Intangible assets	10	77,807,161	86,263,574
– Capital Work-in-progress	27	2,391,875,137	2,135,943,268
		<u>4,562,006,761</u>	<u>4,439,537,654</u>
Non-current investments	11	1,928,542	1,928,542
Deferred tax assets (Net)	12	1,283,541	3,735,009
Long term loans and advances	13	104,149,596	98,919,327
Other non-current assets	14	–	1,500,000
		<u>4,669,368,440</u>	<u>4,545,620,532</u>
<b>Current assets</b>			
Inventories	15	35,187,992	32,988,635
Trade receivables	16	101,121,247	185,533,199
Cash and bank balances	17	71,785,929	71,747,887
Short-term loans and advances	18	31,874,642	33,902,162
Other current assets	19	4,051,242	5,736,495
		<u>244,021,052</u>	<u>329,908,378</u>
<b>Total</b>		<u>4,913,389,492</u>	<u>4,875,528,911</u>
Significant Accounting Policies	1		
The accompanying notes(1-34) form an integral part of financial statements			

As per our Report of even date  
For **Lodha & Co.**  
Chartered Accountants  
Firm ICAI Registration No. 301051E

**H K Verma**  
Partner  
Membership No. 55104

Place : Kolkata  
Dated : 28th May, 2015

**For and on behalf of the Board of Directors**

Sd/- **Amar Singh**, Non Executive Chairman  
Sd/- **Sanjiv Saraf**, Executive Director  
Sd/- **Sanjay Kumar Gupta**, Director  
Sd/- **Vijoy Kumar**, Director  
Sd/- **Amit Damani**, Chief Financial Officer  
Sd/- **Vijayshree Binnani**, Dy. Company Secretary



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	Amount in `	
		Year ended 31st March 2015	Year ended 31st March 2014
<b>Revenue :</b>			
Revenue from operations	20	381,587,161	492,139,870
Other Income	21	78,204,609	59,688,176
<b>Total Revenue</b>		<b>459,791,770</b>	<b>551,828,046</b>
<b>Expenses :</b>			
Cost of materials consumed	22	50,212,655	49,503,441
Purchase of Stock-in-Trade	22	2,295,000	70,692,477
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(2,296,115)	20,746,557
Employee benefits expense	23	62,164,809	64,555,687
Finance costs	24	368,343,315	417,106,978
Depreciation and amortization expense	10	118,595,505	101,869,576
Impairment losses	10	–	48,000,000
Other expenses	25	177,168,644	290,433,692
		<b>776,483,813</b>	<b>1,062,908,408</b>
Less : Expenses transferred to Pre Operative Expenses Account		<b>(182,459,487)</b>	<b>(387,150,821)</b>
<b>Total Expenses</b>		<b>594,024,326</b>	<b>675,757,587</b>
<b>Profit/(Loss) before tax for the year</b>		<b>(134,232,556)</b>	<b>(123,929,542)</b>
<b>Tax Expense :</b>			
– Current tax		620,000	–
– Tax for earlier years		1,160	(56,156)
– Deferred tax charge / (credit)		4,531,175	(21,046,422)
<b>Total Tax Expense</b>		<b>5,152,335</b>	<b>(21,102,578)</b>
<b>Profit/(Loss) after tax for the year</b>		<b>(139,384,891)</b>	<b>(102,826,964)</b>
Earnings per equity share of ` 10 each fully paid-up	33		
– Basic & Diluted		(6.29)	(4.96)
Significant Accounting Policies	1		
The accompanying notes(1-34) form an integral part of financial statements.			

As per our Report of even date  
For **Lodha & Co.**  
Chartered Accountants  
Firm ICAI Registration No. 301051E

**H K Verma**  
Partner  
Membership No. 55104

Place : Kolkata  
Dated : 28th May, 2015

**For and on behalf of the Board of Directors**

Sd/- **Amar Singh**, Non Executive Chairman  
Sd/- **Sanjiv Saraf**, Executive Director  
Sd/- **Sanjay Kumar Gupta**, Director  
Sd/- **Vijoy Kumar**, Director  
Sd/- **Amit Damani**, Chief Financial Officer  
Sd/- **Vijayshree Binnani**, Dy. Company Secretary



## NOTE 1

### SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Principles of Consolidation

- a) The Consolidated Financial Statements of Energy Development Company Limited (“the Company”) and its Subsidiary Companies have been prepared in accordance with Accounting Standard (AS 21) on “Consolidated Financial Statements”. The basis of preparation of the Consolidated Financial Statements is as follows :

–The financial statements (the Balance Sheet and the Statement of Profit & Loss) of the Company and the Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and transactions if any and the resulting unrealized profits or losses.

–The financial statement of the subsidiaries used in the consolidation is drawn upto 31st March 2015, the same reporting date as that of the Company.

–The differential with respect to the cost of investments in the subsidiary over the Company’s portion of equity is recognized as Goodwill or Capital Reserve, as the case may be.

- b) The Subsidiaries (all incorporated in India) which have been included in this Consolidated Financial Statements along with the Company’s holdings therein are given here under :

Sl No.	Name of the Company	% of holdings	
		2014-15	2013-14
1	Ayyappa Hydro Power Limited (AHPL)	100	100
2	EDCL Power Projects Limited (PPL)	100	100
3	Eastern RamGanga Valley Hydel Projects Company Private Limited	100	100
4	Sarju Valley Hydel Projects Company Private Limited	100	100
5	Arunachal Hydro Power Limited	100	–
6	EDCL Seppa Beyong Hydro Electric Private Limited	15.09	100
7	EDCL Seppa Dunkho Hydro Electric Private Limited	9.13	100
8	EDCL Seppa Jung Power Private Limited	19.42	100
9	EDCL Seppa Kawa Power Private Limited	19.05	100
10	EDCL Seppa Lada Hydro Electric Private Limited	15.09	100
11	EDCL Seppa Marjingla Hydro Electric Private Limited	8.79	100
12	EDCL Seppa Nire Hydro Electric Private Limited	25	100
13	EDCL Seppa Pachuk Power Private Limited	6.11	100
14	EDCL Seppa Riang Power Private Limited	5.44	100
15	EDCL Tawang Lower Tsachu Hydro Electric Private Limited	0.42	100
16	EDCL Tawang Power Private Limited	0.36	100
17	EDCL Tawang Upper Tsachu Hydro Electric Private Limited	1.52	100
18	EDCL Arunachal Hydro Project Private Limited	0.99	100

#### Note :

- a) Companies mentioned in 6 to 18 above have become subsidiaries of Arunachal Hydro Power Limited during the year and eventually Energy Development Company Limited is the ultimate holding Company of these companies.



- c) The share of net assets and profit or loss of the company and its subsidiary companies in consolidated net assets and consolidated loss are provided below :

SI No.	Name of the Company	Net Assets		Share in profit or loss	
		As a % of consolidated net assets	Amount (₹)	As a % of consolidated profit or loss	Amount (₹)
		31.03.2015	31.03.2015	2014-15	2014-15
1	Energy Development Company Limited	40.83%	1,338,060,352	7.98%	11,128,032
2	Ayyappa Hydro Power Limited	(6.63%)	(217,154,809)	(79.66%)	(111,032,933)
3	EDCL Power Projects Limited	1.90%	62,393,646	(14.33%)	(19,969,515)
4	Eastern RamGanga Valley Hydrel Projects Company Pvt. Ltd.	5.39%	176,565,961	(2.35%)	(3,272,922)
5	Sarju Valley Hydrel Projects Company Pvt. Ltd.	3.31%	108,564,496	(0.91%)	(1,274,387)
6	Arunachal Hydro Power limited	55.19%	1,808,393,621	(10.74%)	(14,963,166)
	<b>Total</b>		<b>3,276,823,267</b>		<b>(139,384,891)</b>

### 1.2 Basis of preparation of financial statements

The accounts have been prepared under the historical cost convention and in accordance with the provisions of the Companies Act, 2013 and accounting standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

### 1.3 Use of Estimates

The preparation of financial Statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and the reported amounts of income and expenses during the year. Difference between the actual results and the estimates are recognised in the year in which the results become known/ materialise.

### 1.4 Fixed Assets

Fixed assets are stated at cost which comprise its purchase price and any attributable cost of bringing the assets to its working condition for its intended use. In case of construction/erection of fixed assets, cost comprise those costs that relate directly to the specific asset and those that are attributable to the construction/erection activities in general and can be allocated to the specific assets. Cost includes interest and pre-operative expenses.

### 1.5 Expenditure during Construction Period

Expenditure related to and incurred during implementation of capital project is included under Capital Work-in-progress and the same is allocated to the respective Fixed Assets on completion of its construction / erection net of revenue incidental/ attributable to the construction of project. Interest on borrowing costs related to qualifying asset is worked out on the basis of actual utilization of funds out of project specific loans and / or other borrowings to the extent identifiable with the qualifying asset and are capitalized with the cost of qualifying assets.

### 1.6 Depreciation and Amortisation

Depreciation on all assets, other than the generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers & cable network has been provided on written down value method at the rates and in the manner specified in Schedule II to the Companies Act, 2013. In respect of assets of generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers & cable network depreciation has been provided on straight line method over useful life of 30 years as per the implementation agreement with the authorities. Erection and maintenance tools are amortised over a period of five years on pro-rata basis. Intangible fixed assets are amortised at the rate of 40% on written down value method. Leasehold land is amortised over the period of lease on straight line method.

**1.7 Investments**

Long-term investments are valued at cost. Current investments are valued at lower of cost and fair value as on the date of the Balance Sheet. In respect of long term investments, the Company provides for diminution in the value of investments, other than temporary in nature.

**1.8 Revenue Recognition**

- a) Revenue in respect of sale and electricity generated is accounted for on delivery to the grid.
- b) Revenue in respect of Contract Division from goods/services is recognized on delivery of the goods/rendering of services. Revenue against construction/consultancy contracts is recognized progressively on the basis of Percentage of Completion method. Stage of completion of contracts in progress is determined by reference to the physical proportion of the contract work completed and billed.

**1.9 Inventories**

Inventories are valued at cost and estimated net realisable value whichever is lower. Cost of inventory comprising stores, spares and consumables are determined, applying weighted average method. Values of spares related to the machinery are charged out as consumption, over the effective life of the plant and machinery to which they relate.

Cost in respect of work in progress represents cost of materials remaining uncertified/incomplete under the construction/consultancy contracts undertaken by the company.

**1.10 Impairment**

Fixed Assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognised, whenever the carrying amounts of assets exceeds recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing the value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets.

**1.11 Employee Benefits**

Employees benefits are accrued in the year services are rendered by the employees.

Contribution to defined contribution schemes such as Provident Fund etc. are recognized as and when incurred.

Long term employee benefits under defined benefit scheme such as contribution to gratuity, leave etc. are determined at close of the year at present value of the amount payable using actuarial valuation techniques.

Actuarial gains and losses are recognised in the year when they arise

**1.12 Taxation**

Provision for tax is made for current and deferred taxes. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent years are recognised using tax rates and tax laws, which have been enacted or substantively enacted. Deferred tax assets other than in respect of carried forward losses or unabsorbed depreciation are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized.

Entitlement credit in respect of Minimum Alternate Tax is recognised only if there is convincing evidence of realisation of the same.

**1.13 Borrowing Costs**

Borrowing costs that are attributable to the acquisition / construction/erection of fixed assets are capitalized as part of the assets. Other borrowing costs are recognised as expenses in the year in which they are incurred.

**1.14 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not provided for and are disclosed by way of notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**1.15 Goodwill**

Goodwill arising out of acquisition of equity stake in subsidiary is amortized in equal amount over a period of five years from the subsequent year of acquisition.

**1.16 Grants and Subsidies from Government**

Grants from Government relating to Fixed Assets are shown as a deduction from the gross value of Fixed Assets and those in the nature of Project Capital Subsidy, are credited to Capital Reserve.

**1.17 Leases**

Lease rental payments for operating leases are recognised as an expense on straight- line basis over the lease term and paid / provided for as per terms of the agreement on an accrual basis.





**NOTE 2**  
**SHARE CAPITAL**

	As at 31st March 2015	As at 31st March 2014
<b>Authorised</b>	<b>350,000,000</b>	350,000,000
35,000,000 (35,000,000) Equity shares of ` 10/- each	<b>350,000,000</b>	350,000,000
<b>Issued, Subscribed and Paid-up</b>		
27,500,000 (27,500,000) Equity shares of ` 10/- each fully paid up	<b>275,000,000</b>	275,000,000
	<b>275,000,000</b>	275,000,000

Reconciliation of the number of equity shares outstanding	No. of Shares	No. of Shares
At the beginning	27,500,000	27,500,000
During the year	-	-
At the end	27,500,000	27,500,000

Shareholders holding more than 5% of equity shares	Nos.of shares (%)	Nos.of shares (%)
Sterlite Merchants LLP	1,35,62,084 (49.3%)	1,35,62,084 (49.3%)
Mr.Amar Singh	14,58,453 (5.3%)	14,58,453 (5.3%)
Citrus Securities Pvt.Ltd.	-	16,59,593 (6%)
Exude Vincom Ltd.	-	16,45,240 (6%)
Rottex Mercantile Pvt.Ltd.	38,87,424 (14.1%)	38,87,424 (14.1%)
Gatisheel Traders LLP	37,25,459 (13.5%)	-

**Rights, Preferences and Restrictions attached to each classes of shares including restrictions on the distribution of dividends and the repayment of capital.**

- The Company has only one class of equity shares having a par value of ` 10/- per share. Each holder of equity is entitled to one vote per share. The dividend, if any proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by them.
- The Board of Directors has recommended payment of dividend @ 5% ( ` 0.50) per equity share on the paid-up share capital of the company for the financial year 2014-2015 subject to approval of members at the ensuing Annual General Meeting.



	As at 31st March 2015	As at 31st March 2014
<b>NOTE 3</b>		
<b>RESERVES AND SURPLUS</b>		
Capital Reserve on Amalgamation	1,165,345	1,165,345
<b>Capital Reserve</b>		
Opening Balance	124,000,000	124,000,000
Add : For the year (*)	24,000,000	-
Balance at the end of the year	148,000,000	124,000,000
Capital Reserve on Consolidation	7,454,693	7,454,693
Securities Premium	350,000,000	350,000,000
General Reserve	2,288,636	2,288,636
<b>Surplus in Statement of Profit and Loss</b>		
Opening Balance	423,225,039	542,138,816
Less : Adjustment for depreciation (net of deferred tax) due to schedule II of the Co's Act 2013 (Refer Note 10(F))	(4,325,243)	-
Add : Adjustment on consolidation(**)	(51,136)	-
Add : Profit/(Loss) for the year transferred from Statement of Profit and Loss	(139,384,891)	(102,826,964)
Less : Appropriations		
Proposed Dividend on Equity shares [Dividend per share ` 0.50/- (Previous year ` 0.50 /-)]	13,750,000	13,750,000
Tax on Dividend	2,799,176	2,336,813
Balance at the end of the year	262,914,593	423,225,039
	771,823,267	908,133,713

(\*) During the year, One of its Subsidiary, has received subsidy of ` 2,40,00,000/- from the Government as financial support for setting up of Ullankal power plant and no repayment is expected in respect thereof and hence, the same has been treated as Capital Reserve as per AS-12 "Government Grant"

(\*\*) Adjustment on Consolidation represent adjustment of deficit of previous year in respect of one of the subsidiaries.

#### NOTE 4 LONG-TERM BORROWINGS

##### (a) Secured

- Term Loan from Punjab National Bank (Refer Note 4(i)(c) below)	-	490,000,000
- Term Loan from Indian Renewable Energy Development Agency Ltd (IREDA) [Refer Note 4(i)(a) & (b) below]	854,999,878	-

##### (b) Unsecured (Refer Note 4(ii) below)

###### Loan from Related Parties

From Bodies Corporate (*)	275,000,000	1,593,600,000
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###### Loan from others

From Bodies Corporate	180,000,000	776,100,000
	1,309,999,878	2,859,700,000

(\*) Private Companies in which a director is a director.



	As at 31st March 2015	As at 31st March 2014
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**Terms****4 (i) Secured**

a) Secured by all the immovable and movable assets/properties, both present and future, wherever situated, pertaining to the 15 MW Karikayam SHP of the company and charge on the entire receivables of the 6 MW Harangi - II SHP of the holding company. The loan of Rs. 95 crores (Outstanding Balance as on 31.3.15 Rs. 90,24,99,878) is repayable in 10 years in equal quarterly instalments of Rs. 2,37,50,000 w.e.f 31st December, 2015. The holding company has pledged 3,00,00,000 equity shares and 2,20,00,000 preference shares of the company and has given corporate guarantee in respect of the aforesaid loan. Interest rate as on 31.03.15 is 13.65%.

## b) Maturity Profile of the principal amount

2012-13	-	30,000,000
2013-14	-	50,000,000
2014-15	-	60,000,000
2015-16	47,500,000	71,200,000
2016-17	95,000,000	75,200,000
2017-18	95,000,000	75,200,000
2018-19	95,000,000	85,200,000
2019-20	95,000,000	90,000,000
2020-21	95,000,000	90,000,000
2021-22	95,000,000	3,200,000
2022-23	95,000,000	-
2023-24	95,000,000	-
2024-25	94,999,878	-

c) During the year the Company has made pre payment of the Term Loan from Punjab National Bank and availed fresh term loan from IREDA.

**4 (ii) Unsecured**

These loans are repayable in the financial year 2016-17. Rate of interest, wherever applicable, ranges between 12% to 18%.

**NOTE 5****LONG TERM PROVISIONS****Provision for Employee benefits**

Provision for leave encashment	3,918,000	3,834,000
Provision for Gratuity	2,661,000	797,000
	<u>6,579,000</u>	<u>4,631,000</u>

**NOTE 6****SHORT-TERM BORROWINGS****Secured****(Repayable on Demand)**

Cash Credit from Bank	46,407,442	46,215,278
	<u>46,407,442</u>	<u>46,215,278</u>

(Secured by hypothecation of entire stocks and other movables of the company including all movable Plant and Machinery, Furniture and Fixtures, Vehicles, Computers and other accessories etc. stored or to be stored, at the premises/godowns of the company's contract division and also all present and future book debts, outstanding monies, receivables, claims, bills etc. and equitable mortgage of immovable properties at 9MW Harangi Hydro Electric Project)



	As at 31st March 2015	As at 31st March 2014
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**NOTE 7****TRADE PAYABLES**

Payables for goods and services	<u>87,750,137</u>	<u>101,730,029</u>
	<u>87,750,137</u>	<u>101,730,029</u>

a) The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under the Act has not been given.

b) Payables for goods and services includes acceptances amounting to ` Nil/- (Previous year ` 85,51,329/-)

**NOTE 8****OTHER CURRENT LIABILITIES**

Current maturities of long-term debt: Term Loan from PNB [Refer Note 4(i)(c)]	-	72,500,000
Current maturities of long-term debt : TERM Loan from IREDA [Refer Note 4(i)(a) & (b)]	47,500,000	-
Interest accrued and due on borrowings		
- On term loans	-	21,122,488
- Related Parties (*)	43,610,217	140,650,648
- Other borrowings	5,914,819	637,096
Interest accrued and due on others	8,905,948	37,969,831
Capital Vendors	21,506,780	11,395,753
Unpaid Dividends (**)	752,761	603,296
Book overdrafts	-	99,856
Statutory Payables	12,643,490	15,084,401
Advance from customers	26,990,635	26,990,635
Other Payables	176,942	1,813,074
	<u>168,001,592</u>	<u>328,867,078</u>

(\*) Private company where director is a director.

(\*\*) As at the year end there are no amounts due for payment to the investor education and protection fund u/s 205C of the Companies Act 2013.

**NOTE 9****SHORT TERM PROVISIONS****Provision for Employee benefits**

Provision for leave encashment	863,000	125,000
Provision for Gratuity	416,000	40,000

**Others**

Provision for Proposed Dividend	13,750,000	13,750,000
Provision for Dividend Distribution Tax	2,799,176	2,336,813
	<u>17,828,176</u>	<u>16,251,813</u>



**NOTE 10  
FIXED ASSETS**

Amount in `

Name of the Assets	Gross Block			Depreciation/ Amortisation				Impairment		Net Block		
	Cost as at 31.03.2014	Additions	Deletion	Cost as at 31.03.2015	As at 31.03.2014	In statement of Profit & Loss	In Surplus balance of Profit & Loss	Deductions/ Adjustments	Up to 31.03.2015	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
(A) Tangible Assets												
Freehold Land	82,099,181	119,400	9,001,528	73,217,053	-	-	-	-	-	-	73,217,053	82,099,181
Leasehold Land (a)	-	-	-	-	-	-	-	-	-	-	-	-
Buildings and Roads	473,012,888	-	-	473,012,888	33,642,266	27,606,939	6,019,788	-	67,268,993	10,246,711	395,497,184	429,123,909
Plant & Machinery	1,017,345,407	2,759,530	9,689,663	1,010,415,274	252,648,029	32,942,188	-	2,680,144	282,910,073	16,042,859	711,462,342	748,654,519
Hydraulic Works	894,385,311	-	-	894,385,311	133,702,629	27,229,804	-	-	160,932,433	20,447,032	713,005,846	740,235,651
Transmission Lines, Transformers, Cable												
Network etc (b)	105,602,233	-	-	105,602,233	35,211,795	2,929,225	-	-	38,141,020	1,263,397	66,197,816	69,127,041
Office Equipment	8,765,544	673,612	-	9,439,156	6,629,421	1,646,965	221,583	-	8,497,969	-	941,188	2,136,123
Furniture and Fixtures	16,577,766	18,295	-	16,596,061	10,096,429	2,035,601	105,965	-	12,237,995	-	4,358,067	6,481,336
Motor Vehicle	36,139,130	2,967,148	-	39,106,278	22,872,754	6,832,419	51,829	-	29,757,002	-	9,349,276	13,266,376
Windmill (c)	184,767,000	-	-	184,767,000	58,560,324	7,910,985	-	-	66,471,309	-	118,295,691	126,206,676
<b>Total (A)</b>	<b>2,818,694,460</b>	<b>6,537,985</b>	<b>18,691,191</b>	<b>2,806,541,254</b>	<b>553,363,647</b>	<b>109,134,126</b>	<b>6,399,165</b>	<b>2,680,144</b>	<b>666,216,794</b>	<b>48,000,000</b>	<b>2,092,324,463</b>	<b>2,217,330,812</b>
(B) Intangible Assets												
Computer Software	2,507,879	575,753	-	3,083,632	1,976,580	400,982	5,786	-	2,383,348	-	700,284	531,299
Goodwill	141,448	-	-	141,448	141,448	-	-	-	141,448	-	-	-
Unclassified Land & Site	90,244,500	435,000	-	90,679,500	4,512,225	9,060,398	-	-	13,572,623	-	77,106,877	85,732,275
Development (R&R) (d)												
<b>Total (B)</b>	<b>92,893,827</b>	<b>1,010,753</b>	<b>-</b>	<b>93,904,580</b>	<b>6,630,253</b>	<b>9,461,380</b>	<b>5,786</b>	<b>-</b>	<b>16,097,419</b>	<b>-</b>	<b>77,807,161</b>	<b>86,263,574</b>
<b>Total (A+B)</b>	<b>2,911,588,287</b>	<b>7,548,738</b>	<b>18,691,191</b>	<b>2,900,445,834</b>	<b>559,993,900</b>	<b>118,595,506</b>	<b>6,404,951</b>	<b>2,680,144</b>	<b>682,314,213</b>	<b>48,000,000</b>	<b>2,170,131,624</b>	<b>2,303,594,386</b>
Previous Year	1,370,677,365	1,559,552,172	18,641,250	2,911,588,287	464,421,774	101,869,576	-	6,297,449	559,993,900	48,000,000	2,303,594,386	

**Note :** (a) 7.21 acres of Land has been taken on lease for 40 years w.e.f.14th July,1999 at an annual lease rent of ` 72100/-.

(b) Transmission Lines, Transformers, Cable network etc. include Power Evacuating facilities put up in relation to the Hydro Electric Generating Station, which has been handed over to the Electricity Board for transmission of Electricity and maintenance thereof.

(c) Gross Block of Windmill includes Leasehold Land of ` 3,600,000. (Previous Year- ` 3,600,000)

(d) Unclassified land and site developed proportionately over the period of 10 years.

(e) Recoverable amount of fixed assets of one of the subsidiaries was estimated as at the year ended 31st March, 2014 and impairment loss of ` 48,000,000/- was recognised in the said year as impairment loss for the carrying value of the fixed assets. In absence of any indication for significant variation in the amount of impairment so recognised in the earlier years, no further adjustment in this respect has been considered necessary.

(f) Depreciation on fixed assets has been computed based on the useful life of assets, as per Schedule II of the Companies Act, 2013, made effective from 1st April, 2014 or life assessed, whichever is lower. Accordingly, net book value of the fixed assets existing as at that date has been depreciated over the remaining useful life of the assets computed as aforesaid. Consequently, charge on account of depreciation for the year ended 31st March, 2015 is lower by ` 175,47,574/-. Further, ` 43,25,243/- (net of deferred tax of ` 20,79,708/-) being the carrying amount of the assets whose useful life has already expired as on 1st April, 2014 has been adjusted against the retained earnings as on that date.



	As at 31st March 2015	As at 31st March 2014
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**NOTE 11****NON-CURRENT INVESTMENTS****(Long Term)(At cost, unless otherwise stated)(Other than trade)****Investment in Equity Instrument (Unquoted)**

EDCL Infrastructure Ltd.	1,700,000	1,700,000
[170,000 (Previous Year 170,000) equity shares of ` 10/- each fully paid up]		

**Investment in PMS (Unquoted)**

Sai Rayalaseema Paper Mills Ltd. 18,810 (18,810) equity shares of ` 10/- each fully paid up	228,542	228,542
	1,928,542	1,928,542
<b>Aggregate amount of unquoted investments</b>	<b>1,928,542</b>	<b>1,928,542</b>

**NOTE 12****DEFERRED TAX ASSETS (NET)****Deferred Tax Assets**

Expenses allowable on payment basis	3,947,069	1,556,062
Provision for bad & doubtful debts	395,641	7,853,007
Unabsorbed depreciation difference	789,861	9,609,297

**Deferred Tax Liabilities**

Depreciation Difference	(3,849,030)	(15,283,357)
	1,283,541	3,735,009

- a) For one of the subsidiaries, Deferred Tax Assets on account of unabsorbed depreciation has been recognised to the extent of deferred tax liability on account of depreciation differential as at the year end and/or losses to be set off in the subsequent years. In absence of virtual certainty, deferred tax assets with respect to remaining amount of unabsorbed losses and unabsorbed depreciation have not been recognised.
- b) Change in Outstanding amount of deferred tax assets of ` 24,51,468/- has been made by Charge in Statement of Profit and Loss account by ` 45,31,175/- and adjustment to balance in Surplus of Profit and Loss under Reserves and Surplus ` 20,79,707/- [Refer Note 10 (f)]

**NOTE 13****LONG TERM LOANS AND ADVANCES****(Unsecured, considered good )**

Capital Advances	2,588,423	7,226,760
Security Deposits/Retention money with customers	10,504,938	7,384,969
Other Security Deposits	4,234,128	4,652,846
Other Advances	452,000	-
Advance Income Tax & Fringe Benefit Taxes (net of provisions)	46,654,247	39,938,892
MAT Credit Entitlement	39,715,860	39,715,860
	<b>104,149,596</b>	<b>98,919,327</b>

**NOTE 14****OTHER NON-CURRENT ASSETS**

Other bank balances

– on Margin Money Accounts (Refer note 17b) (with more than 12 months maturity)	-	1,500,000
	-	1,500,000



	As at 31st March 2015	As at 31st March 2014
<b>NOTE 15</b>		
<b>INVENTORIES</b>		
( At Lower of Cost and Fair Value)		
(As taken, valued and certified by the management)		
Contract work-in-progress	20,971,969	18,675,854
Goods in transit	325,388	–
Stores, Spares and Consumables	13,890,635	14,312,781
	<u>35,187,992</u>	<u>32,988,635</u>

<b>NOTE 16</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured, considered good )		
Outstanding for a period of more than six months	49,846,712	67,884,533
Other Debts (*)	51,274,535	117,648,666
	<u>101,121,247</u>	<u>185,533,199</u>
<b>(Unsecured, considered doubtful )</b>		
Outstanding for a period of more than six months	1,280,391	24,204,059
Less :Provision for bad & doubtful debt	1,280,391	24,204,059
	<u>–</u>	<u>–</u>
	<u>101,121,247</u>	<u>185,533,199</u>

– Trade receivables in respect of sale of power from generation by 6MW Harangi-II SHP are subject to a charge in favour of lenders of one of the subsidiaries.

<b>NOTE 17</b>		
<b>CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
- Balance with Banks on Current Accounts	40,536,384	20,726,532
- Cash on hand	1,671,784	1,747,359
	<u>42,208,168</u>	<u>22,473,891</u>
<b>Other bank balances</b>		
- on Unpaid Dividend Account	752,761	603,296
- Fixed Deposits (a)	–	364,967
(with less than 12 months maturity)		
- on Margin Money Accounts (b)	28,825,000	48,305,733
(with less than 12 months maturity)		
	<u>29,577,761</u>	<u>49,273,996</u>
	<u>71,785,929</u>	<u>71,747,887</u>

a) Deposited with Kerala State Electricity Board

b) Margin money include ` 2,87,30,000/- (Previous year ` 4,82,10,733/-) are lying with banks against bank guarantees issued and ` 95,000/- (Previous year ` 95,000/-) as security deposit with Sales Tax Authorities.



	As at 31st March 2015	As at 31st March 2014
<b>NOTE 18</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advance to suppliers	20,746,937	21,107,512
Prepaid expenses	4,078,208	3,445,422
Balance with Government authorities	2,800,000	2,800,000
Security Deposit	50,000	339,862
Other Advances (*)	4,199,497	6,209,366
	<u>31,874,642</u>	<u>33,902,162</u>

<b>NOTE 19</b>		
<b>OTHER CURRENT ASSETS</b>		
(Unsecured, considered good)		
Interest Receivable	4,051,242	5,736,495
	<u>4,051,242</u>	<u>5,736,495</u>

	Year ended 31st March 2015	Year ended 31st March 2014
<b>NOTE 20</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Products		
- Hydro power (*)	279,080,345	268,980,233
- Wind power	19,791,017	23,340,859
- Construction contracts	70,475,592	70,651,899
- Traded goods	10,190,207	71,566,879
	<u>379,537,161</u>	<u>434,539,870</u>
Sale of Services	2,303,380	66,573,360
Less : Service Tax	253,380	8,973,360
	<u>2,050,000</u>	<u>57,600,000</u>
	<u>381,587,161</u>	<u>492,139,870</u>

<b>(a) Total number of the units generated and sold (In million units)</b>		
- Hydro power	80.15 m.u.	78.68 m.u.
- Wind power	5.82 m.u.	6.86 m.u.

**(b)** In respect of one of the subsidiary, during the year, the power purchase agreement (PPA) with the Kerala State Electricity Board (KSEB) has been signed as approved by Kerala State Electricity Regulatory Commission (KSERC). However, the tariff has been provisionally approved @ ` 4.16 per unit subject to determination of cost of projects and Capacity Utilisation Factor (CUF). Necessary adjustments, if any, arising out of variation in tariff shall be carried out in subsequent period.

<b>NOTE 21</b>		
<b>OTHER INCOME</b>		
Profit on Sale of Fixed Assets	21,472,655	23,656,199
Interest Income	52,853,088	35,612,058
Insurance Claim Received	1,691,293	-
Liability no longer required written back	2,182,762	419,419
Miscellaneous Income	4,811	500
	<u>78,204,609</u>	<u>59,688,176</u>





	Year ended 31st March 2015	Year ended 31st March 2014
<b>NOTE 22</b>		
<b>COST OF MATERIALS CONSUMED - BROAD HEADS(*)</b>		
Steel	28,912,708	26,373,659
Cement	5,287,048	5,776,030
Aggregate	9,007,052	9,053,749
Others	7,005,847	8,300,003
	<u>50,212,655</u>	<u>49,503,441</u>

(\*) The entire consumption is out of indigenious supplies.

<b>Purchase of Stock-in-Trade - Broad Heads (**)</b>		
Main Inlet Valve & Accessories	-	12,764,963
Turbine Auxliaries & Electrical Systems	-	44,225,565
Generator Auxliaries	-	-
Turbine Parts	-	9,276,307
Hydro Mechanical Equipment & Accessories	-	-
Hydraulic Hoist System with Structure	2,295,000	-
Others	-	4,425,642
	<u>2,295,000</u>	<u>70,692,477</u>

(\*\*) Includes imported supplies of ` Nil (Previous year ` 10,390,426/-)

<b>Changes in inventories of finished goods, work-in-progress and Stock-in-Trade</b>		
Opening stock of Contract Work-in-Progress	18,675,854	39,422,411
Less : Closing stock of Contract Work-in-Progress	20,971,969	18,675,854
	<u>(2,296,115)</u>	<u>20,746,557</u>

**NOTE 23**  
**EMPLOYEE BENEFITS EXPENSES**

Salaries & Wages	53,859,720	58,683,647
Contribution to Provident and other Funds	3,026,861	92,097
Staff welfare expenses	5,278,228	5,779,943
	<u>62,164,809</u>	<u>64,555,687</u>

**Employees Benefits :**

The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006 (AS-15), are given below :

**(i) Defined Contribution Scheme**

Contribution to Defined Contribution Plan, recognized for the year are as under:

Employer's Contribution to Provident Fund ` 192,093/- (Previous year ` 108,074/-)

Employer's Contribution to Pension Fund ` 436,016/- (Previous year ` 244,919/-)

**(ii) Defined Benefit Scheme**

The employee's gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Leave Encashment is recognized in the same manner as gratuity.



(` in lacs)

Particulars	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)	
	31.03.2015	31.03.2015	31.03.2014	31.03.2014	
<b>Expenses Recognized in the Profit &amp; Loss Account</b>					
1	Current Service Cost	15.76	12.28	13.76	10.74
2	Interest Cost	6.58	3.51	5.77	3.26
3	Expected return on plan assets	(5.65)	-	(5.16)	-
4	Actuarial Losses / (Gains)	5.75	(4.24)	(16.71)	(12.83)
	<b>Total Expenses</b>	<b>22.44</b>	<b>11.55</b>	<b>(2.34)</b>	<b>1.17</b>
<b>Change in the obligation during the year</b>					
1	<b>Present value of Defined Benefit Obligation at the beginning of the year</b>	<b>72.88</b>	<b>39.59</b>	<b>70.40</b>	<b>41.03</b>
2	Current Service Cost	15.76	12.28	13.76	10.74
3	Interest Cost	6.58	3.51	5.77	3.26
4	Acquisition Cost	0.01	-	-	-
5	Benefit Paid	(3.43)	(3.33)	-	(2.61)
6	Actuarial (Gains) / Losses	5.74	(4.24)	(17.05)	(12.83)
7	<b>Present value of Defined Benefit Obligation at the end of the year</b>	<b>97.54</b>	<b>47.81</b>	<b>72.88</b>	<b>39.59</b>
<b>Change in Assets during the year ended March 31, 2015</b>					
1	<b>Plan Assets at the beginning of the year</b>	<b>64.51</b>	<b>-</b>	<b>54.95</b>	<b>-</b>
2	Contribution by Employer	0.07	-	4.74	-
3	Acquisition Adjustments	(0.05)	-	-	-
4	Expected return on plan assets	5.65	-	5.16	-
5	Actual Company Contribution	0.03	-	-	-
6	Benefit Paid	(3.43)	-	-	-
7	Actuarial Gains / (Losses)	(0.01)	-	(0.34)	-
	<b>Plan Assets at the end of the year</b>	<b>66.77</b>	<b>-</b>	<b>64.51</b>	<b>-</b>
<b>Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the year ended March 31, 2015</b>					
1	<b>Net Asset / (Liability) at beginning of the year</b>	<b>(8.37)</b>	<b>(39.59)</b>	<b>(15.45)</b>	<b>(41.03)</b>
2	Acquisition	(0.06)	-	-	-
3	Employer Expenses	(22.44)	(11.55)	2.34	(1.17)
4	Employer Contributions	0.10	3.33	4.74	2.61
5	<b>Net Asset / (Liability) at the end of the year</b>	<b>(30.77)</b>	<b>(47.81)</b>	<b>(8.37)</b>	<b>(39.59)</b>
<b>Actuarial Assumptions</b>					
1	Discount Rate	7.80%	7.80%	8.20%	8.20%
2	Expected Rate of Return on Plan Assets	9.00%	Not Applicable	9.00%	Not Applicable
3	Rate of Salary Increases	10.00%	10.00%	10.00%	10.00%

## (iii) Disclosure in terms of Para 120(n) of AS 15

(` in lacs)

Particulars	Gratuity (Funded)				
	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
Present value of defined benefit obligations	(97.54)	(72.88)	(70.40)	(56.60)	(50.98)
Fair value of plan assets	66.77	64.51	54.95	46.83	36.07
Surplus/(Deficit)	(30.77)	(8.37)	(15.45)	(9.77)	(14.91)
Experience adjustment on plan liabilities (loss)/gain	5.48	6.03	3.95	4.09	(0.34)
Experience adjustment on plan assets (loss)/gain	(0.01)	(0.34)	(0.16)	(0.22)	(0.32)
Actuarial Gain / (Loss) due to change in assumptions	(11.22)	-	-	-	-



## (iv) Details of Plan assets

Particulars	31.03.2015	31.03.2014
Other assets including under scheme of insurance	100%	100%

## Notes :

- (a) Assumptions related to future salary increases, attrition, interest rate for discount and overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.

	Year ended 31st March 2015	Year ended 31st March 2014
<b>NOTE 24</b>		
<b>FINANCE COSTS</b>		
Interest Expenses :		
– Cash-Credit	6,855,575	8,880,129
– Term Loan	92,746,638	43,221,430
– On other borrowings	258,656,124	356,688,347
– On others	3,587,623	6,472,244
	<u>361,845,960</u>	<u>415,262,150</u>
Other borrowing cost	6,497,355	1,844,828
	<u>368,343,315</u>	<u>417,106,978</u>

**NOTE 25**  
**OTHER EXPENSES**

Payment to Auditors (excluding Service tax) :		
– As Auditors	670,000	670,000
– For Taxation matters	410,000	150,000
– Other Services	242,500	165,500
Cost of Power Purchased	2,556,266	2,044,223
Stores and Spares consumed (*)	3,976,858	1,893,337
Contract and Service Charges	20,852,095	38,414,454
Discount & Rebate	5,008,331	4,702,957
Rent	18,003,303	17,905,500
Repairs & Maintenance :		
– Plant & Machinery	12,774,958	10,240,391
– Others	3,794,625	4,813,136
Rates & Taxes	32,542,694	36,726,845
Travelling & Conveyance Expenses	11,547,645	16,841,038
Insurance	2,727,218	1,761,306
Legal & Professional charges	46,939,225	35,393,470
Security Services.	2,853,488	2,958,336
Service Charges	–	57,600,000
Project Developemnt Exp.	223,752	29,395,219
Telephone, Fax, Postal etc.	2,644,352	3,346,103
Bad Debts	24,205,271	
(Previous Year ` 3,18,98,000/-)		
Less : Provision for Doubtful Debts Written Back	<u>(24,204,059)</u>	
(Previous Year ` 3,11,68,118/-)		
Provision for doubtful debt	1,212	729,882
Irrecoverable balance written off	1,280,391	12,408,750
Maintainence Charges	36,620	–
Miscellaneous Expenses (**)	–	10,639
	8,083,111	12,262,606
	<u>177,168,644</u>	<u>290,433,692</u>



(\*) Value of consumption of stores and spare parts :

(i) The entire consumption is out of indigenous supplies.

(ii) Consumption as above includes ` 648,173/- (Previous year ` 825,251/-) on account of amortisation of spares.

(iii) Stores and Spare parts included in inventory are largely consumed as replacements and hence their consumption may not be comparable on a year on year basis.

(\*\*) Includes Net Loss on foreign exchange transactions ` (-) 12,06,741/-, (Previous Year : ` 5,30,604/-)

As at 31st March, 2015	As at 31st March, 2014
---------------------------	---------------------------

## NOTE 26

### CONTINGENT LIABILITIES AND COMMITMENTS

(To the extent not provided for)

#### Contingent Liabilities

a) Claims against the company not acknowledged as debts

i) Income Tax matters under disputes and pending in appeal

119,430,590

125,300,100

ii) Sales Tax matters under disputes and pending in appeal

23,919,314

7,902,703

The Company's pending litigation comprise of proceedings with income tax and sales tax authorities. The company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The company does not expect the outcome of these proceedings to have material impact on its financial position. Future cash outflows if any in respect of (i) and (ii) above are dependent upon the outcome of the decision/ judgements.

b) Bank guarantee given

114,247,677

81,464,933

c) Arrears of dividend on cumulative Redeemable Preference Shares

100,500,000

67,000,000

#### Commitments

a) Estimated amount of contracts remaining to be executed on capital account (net of advances)

254,192,521

235,077,791

## NOTE 27

### CAPITAL WORK IN PROGRESS

Capital Work in Progress

2,391,875,137

2,135,943,268

2,391,875,137

2,135,943,268

a) Certain subsidiaries of the company on completion of prefeasibility report have been granted permission for setting up of certain hydel power plants, having aggregate capacity of 572 MW hydel power plant by the Government of Arunachal Pradesh and Uttarakhand. Project survey, geological investigation and formulation of Detailed Project Report (DPR) and other allied works are under progress. Pending approval of DPR and determination of viability thereof, administrative and other expenses including finance cost incurred by these subsidiaries aggregating to ` 23,048.67 lacs are being carried forward as pre operative expenses under Capital Work In Progress in the financial statements of these subsidiaries. Adjustments in this respect or allocation thereof to the project cost etc. will be carried out on determination of implementation status of the project.



- b) Capital work-in-progress includes :
- (i) machinery in stock, inventory of construction / erection materials etc.
  - (ii) pre-operative expenditure incurred during implementation of project in terms of (a) above.
  - (iii) pre-operative expenditure incurred during expansion of an existing power plant of one of the subsidiaries.

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Balance brought forward</b>	<b>2,124,830,011</b>	2,209,182,749
Salaries and Perquisites	15,083,474	8,659,041
Rent	10,809,098	11,631,275
Rates and Taxes	5,355,498	23,028,300
Insurance	31,658	238,401
Legal and Professional charges	36,953,030	23,380,479
Travelling and Conveyance expenses	5,626,775	9,146,366
Interest on Term Loan	104,419,444	216,625,228
Miscellaneous expenses	2,953,207	7,446,512
Project Development Expenses	238,552	29,395,219
Other Borrowing Cost	988,751	-
Service Charges	-	57,600,000
	<b>2,307,289,498</b>	<b>2,596,333,570</b>
Less: Sale of electricity (Previous year 4.07 million units)	-	9,514,674
Less : Allocated to Fixed Assets	-	461,988,885
<b>Balance Carried forward</b>	<b>2,307,289,498</b>	<b>2,124,830,011</b>

## NOTE 28 CONSTRUCTION CONTRACTS DISCLOSURES

a)

Particulars	2014-15	2013-14
i) Contract revenue recognised as revenue in the period	70,475,592	142,218,778
ii) Contract costs incurred upto the reporting date	434,407,465	549,587,260
iii) Advances received	26,990,635	26,990,635
iv) Retention money with customers	10,504,938	7,384,969
v) Gross amount due from customers for contract work	77,716,865	95,895,220

- b) In case of long term contracts in operation, the foreseeable losses if any are recognised based on the management's estimation of percentage of completion and cost involved thereagainst.



## NOTE 29 SEGMENT REPORTING

Segments have been identified in line with the Accounting Standard AS-17 taking into account the organization structure as well as the differencing risk and return. The Company's business segment comprises of (1) Generation and sale of electricity and (2) Construction, development, implementation, operation & maintenance of projects and consultancies (Contract Division). These have been identified by the type of their respective sales and services rendered.

Amount in `

Particulars	Sale of Electricity		Contract Division		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Revenue :</b>						
External sales(*)	298,871,362	292,321,092	82,715,799	199,818,778	381,587,161	492,139,870
<b>Result :</b>						
Segments	140,031,206	96,560,810	(16,185,362)	(14,307,728)	123,845,844	82,253,082
Less-Interest and Finance Charges					262,935,125	199,444,899
Less : Other common expenses (net)					(4,856,725)	6,737,724
Total Profit Before Tax					(134,232,556)	(123,929,541)
Provisions For Tax					5,152,335	(21,102,578)
Profit After Tax					(139,384,891)	(102,826,964)
Segments Assets	2,316,974,348	3,098,094,646	152,774,296	193,975,231	2,469,748,644	3,292,069,877
Unallocable Corporate Assets					2,443,640,848	1,583,459,034
<b>TOTAL</b>					4,913,389,492	4,875,528,911
Segments Liabilities	1,404,134,327	2,433,863,083	78,747,162	119,286,929	1,482,881,489	2,553,150,012
Unallocable Corporate Liabilities					153,684,736	804,245,186
<b>TOTAL</b>					1,636,566,225	3,357,395,198

(\*) Sales/Income from operations (net of service tax) includes ` 20,50,000/- (Previous Year ` 5,76,00,000/-) on account of income from consultancy and other services.

Particulars	Sale of Electricity		Contract Division		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Capital expenditure for the segment	3,537,098	1,550,924,099	2,282,943	5,395,162	5,820,041	1,556,319,261
Unallocable Corporate Capital Expenditure					1,728,697	3,232,911
<b>Total Capital Expenditure</b>					7,548,738	1,559,552,172
Depreciation and amortisation for the segment	104,887,403	91,466,949	5,530,134	4,424,407	110,417,537	95,891,356
Unallocable Depreciation and amortisation					8,177,969	5,978,217
<b>Total depreciation and amortisation</b>					118,595,506	101,869,573
Non cash expenditure, other than depreciation and amortisation for the segment	1,965,339	49,087,583	400	12,559,965	1,965,739	61,647,548
Unallocable non cash expenditure, other than depreciation and amortisation					657	316,335
<b>Total non cash expenditure, other than depreciation and amortisation</b>					1,966,396	61,963,883

- (a) Revenue and expenses have been identified to segment on the basis of their relationship to the operating activities of the segment. Revenue and expenses which relates to enterprise as a whole and not allocable to segment on a reasonable basis have been included under the head other common expenses.
- (b) As the company operates entirely in India no secondary segment has been identified for the above purpose.



**NOTE 30**

**PAYMENT IN FOREIGN CURRENCY :**

	Particulars	2014-15	2013-14
(a)	<b>Payment in foreign currency :</b>		
	Travelling *	909,626	2,051,849
	Purchase for resale	-	10,390,426

**(b) Unhedged foreign currency exposure of the company as at the year end**

	Particulars	Amount in foreign Currency	
		2014-15	2013-14
	Payables		
	- Imports		
	EURO	80,784	97,330
	USD	16,660	141,610

**NOTE 31**

**RELATED PARTY DISCLOSURES PURSUANT TO ACCOUNTING STANDARD - 18**

(a)	<b>Key Management Personnel and their relative</b>
	Mr.Sanjiv Saraf (Executive Director)
	Mrs.Indira Saraf (Wife of the Executive Director)
(b)	<b>Individuals having significant influence directly or indirectly (Promoter and their relatives)</b>
	Mr. Amar Singh (Non Executive Chairman )
	Mrs.Pankaja Kumari Singh (Wife of the Non Executive Chairman)
(c)	<b>Enterprises over which a key managerial person or their relative exercises significant influence</b>
	Startrack Vinimay Private Limited
	Sarvottam Caps Private Limited

The aggregate amount of transactions with the related parties as mentioned in (a) above is as below :

Particulars	2014-15	2013-14
<b>Transactions during the year :</b>		
<b>Remuneration :</b>		
Mr. Sanjiv Saraf	4,820,000	4,820,000
<b>Rent Paid</b>		
Mrs. Indira Saraf	958,320	871,200



The aggregate amount of transactions with the related parties as mentioned in (b) above is as below :

Particulars	2014-15	2013-14
<b>Transactions during the year:</b>		
<u>Rent Paid</u>		
Mr. Amar Singh	1,200,000	1,200,000
Mrs. Pankaja Kumari Singh	720,000	720,000
<u>Sitting Fees</u>		
Mr. Amar Singh	118,000	120,000
Mrs. Pankaja Kumari Singh	68,000	60,000
<b>Payable as at the year end :</b>		
<u>Sundry Creditors</u>		
Mr. Amar Singh	4,500	–
Mrs. Pankaja Kumari Singh	5,400	–

The aggregate amount of transactions with the related parties as mentioned in (c) above is as given below :

<b>Transactions during the year:</b>		
i) Unsecured Loan received		
– Startrack Vinimay Pvt. Ltd.	262,500,000	303,500,000
– Sarvottam Caps Pvt. Ltd.	562,500,000	214,500,000
ii) Unsecured Loan repaid		
– Startrack Vinimay Pvt. Ltd.	1,232,700,000	66,500,000
– Sarvottam Caps Pvt. Ltd.	1,036,000,000	1,000,000
iii) Interest Expenses		
– Startrack Vinimay Pvt. Ltd.	59,532,529	94,515,258
– Sarvottam Caps Pvt. Ltd.	64,550,662	79,239,781
<b>Payable as at the year end :</b>		
Unsecured Loans		
– Startrack Vinimay Pvt. Ltd.	–	970,200,000
– Sarvottam Caps Pvt. Ltd.	255,000,000	728,500,000
Interest accrued and due (Payable)		
– Startrack Vinimay Pvt. Ltd.	26,162,273	87,520,060
– Sarvottam Caps Pvt. Ltd.	18,809,010	64,441,442

**Notes :**

- In respect of above parties, there is no provision for doubtful debts as on 31st March 2015 and no amount has been written off or written back during the year in respect of debts due from / to them.
- The above Related Party information is as identified by the Management and relied upon by the auditors.





## NOTE 32 OPERATING LEASES

The company has taken several premises under cancellable operating leases. The lease term is upto 3 years and have the option of renewal on expiry of the lease period based on mutual agreement of both the parties. Rental expenses towards cancellable operating lease charged to statement of profit and loss amounts to ` 1,52,51,820 (Previous year ` 1,42,72,005). The aggregate lease rentals are included as "Rent" in Note 25 of the financial statement.

The Company has taken certain machineries under cancellable operating leases. The lease term is valid upto 31st March, 2016. Rental expenses towards such cancellable operating lease charged to statement of profit and loss amounts to ` 3,96,000 (Previous Year ` 24,44,280) and has been disclosed as "Rent" in Note 25 of the financial statement

## NOTE 33 EARNINGS PER SHARE (EPS) :

Particulars	2014-15	2013-14
<b>Basic and Diluted Earnings per share has been computed as under :</b>		
Profit/(Loss) after tax for the year	(139,384,891)	(102,826,964)
Less : Preference Dividend on Cumulative Redeemable Preference shares	33,500,000	33,500,000
Profit/(Loss) for the year attributable to equity shareholders	(172,884,891)	(136,326,964)
Weighted Average Number of Equity Shares issued (Nos.)	27,500,000	27,500,000
Basic & Diluted Earnings per share (Face Value ` 10/- per share, fully paid up)	(6.29)	(4.96)

## NOTE 34 COMPARATIVES

The previous year's figures have been regrouped and rearranged wherever considered necessary.

As per our Report of even date  
For **Lodha & Co.**  
Chartered Accountants  
Firm ICAI Registration No. 301051E

**H K Verma**  
Partner  
Membership No. 55104

Place : Kolkata  
Dated : 28th May, 2015

**For and on behalf of the Board of Directors**

Sd/- **Amar Singh**, Non Executive Chairman  
Sd/- **Sanjiv Saraf**, Executive Director  
Sd/- **Sanjay Kumar Gupta**, Director  
Sd/- **Vijoy Kumar**, Director  
Sd/- **Amit Damani**, Chief Financial Officer  
Sd/- **Vijayshree Binnani**, Dy. Company Secretary



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

Particulars	For the year ended 31.03.2015		For the year ended 31.03.2014	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>A) Cash Flow From Operating Activities :</b>				
Profit/ (Loss) before taxation		(134,232,556)		(123,929,542)
<b>Adjustments for :</b>				
Depreciation and amortisation expenses	118,595,505		101,869,576	
Impairment losses	-		48,000,000	
Amortisation of Stores, Spares & Tools	648,173		309,064	
Interest & Finance Charges	263,923,871		417,106,978	
(Profit)/Loss on Sale of Fixed Assets(Net)	(21,472,655)		(23,656,199)	
Interest Received	(52,853,088)		(35,612,058)	
Irrecoverable balances written off	36,620		-	
Provision for bad and doubtful debt	1,280,391		12,408,750	
Bad debts and advances written off	24,205,271		31,898,000	
Provision for doubtful debts written back	(24,204,059)		(31,168,118)	
Liability no longer required written back	(2,182,762)	307,977,267	(419,419)	520,736,574
<b>Operating Profit before Working Capital Changes</b>		173,744,711		396,807,032
<b>Adjustments for :</b>				
(Increase)/Decrease in Inventory	(2,847,530)		21,817,267	
(Increase)/Decrease in Trade and Other receivables	86,606,336		73,689,774	
Increase/(Decrease) in Trade and Other payables	(2,702,673)	81,056,133	(75,903,467)	19,603,574
<b>Cash generated from operations</b>		254,800,844		416,410,606
Direct Taxes paid (Net of refund)		(7,336,515)		(28,463,039)
<b>Net Cash Flow from Operating Activities</b>		247,464,329		387,947,567
<b>B) Cash Flow from Investing Activities :</b>				
Purchase of Fixed Assets	(7,548,738)		(191,806,404)	
Sale of Fixed Assets	37,483,698		36,000,000	
Capital Work In Progress	(255,931,869)		(293,496,584)	
Deposit / redemption of Margin Money and other bank balances	21,196,235		(3,709,951)	
Interest Received	54,538,341	(150,262,333)	32,845,800	(420,167,139)
<b>Net Cash Flow from Investing Activities</b>		(150,262,333)		(420,167,139)
<b>C) Cash Flow from Financing Activities :</b>				
Proceeds from / (repayments) of borrowings	(1,574,507,958)		388,720,809	
Proceeds from Issue of Preference Shares	1,895,000,000		-	
Proceeds from Capital Reserve	24,000,000		-	
Interest & Finance Charges	(405,872,950)		(371,484,343)	
Dividend Paid	(13,750,000)		(22,000,000)	
Dividend Distribution Tax Paid	(2,336,813)	(77,467,721)	(3,738,900)	(8,502,434)
<b>Net Cash flow from Financing Activities</b>		(77,467,721)		(8,502,434)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		19,734,275		(40,722,006)
<b>Cash and Cash equivalents at the beginning of the year</b>		22,473,890		63,195,896
<b>Cash and Cash equivalents at the end of the year (Refer Note 17)</b>		42,208,168		22,473,890

### Notes :

- Cash Flow Statement is prepared by the indirect method as set out in Accounting Standard - 3 on Cash Flow Statement.
- Cash & Cash Equivalents presented in the statement consists of cash on hand and balances with banks on current account as on the balance sheet date.
- Previous year's figures have been re-grouped/rearranged wherever considered necessary.

As per our Report of even date  
For **Lodha & Co.**  
Chartered Accountants  
Firm ICAI Registration No. 301051E

**H K Verma**  
Partner  
Membership No. 55104

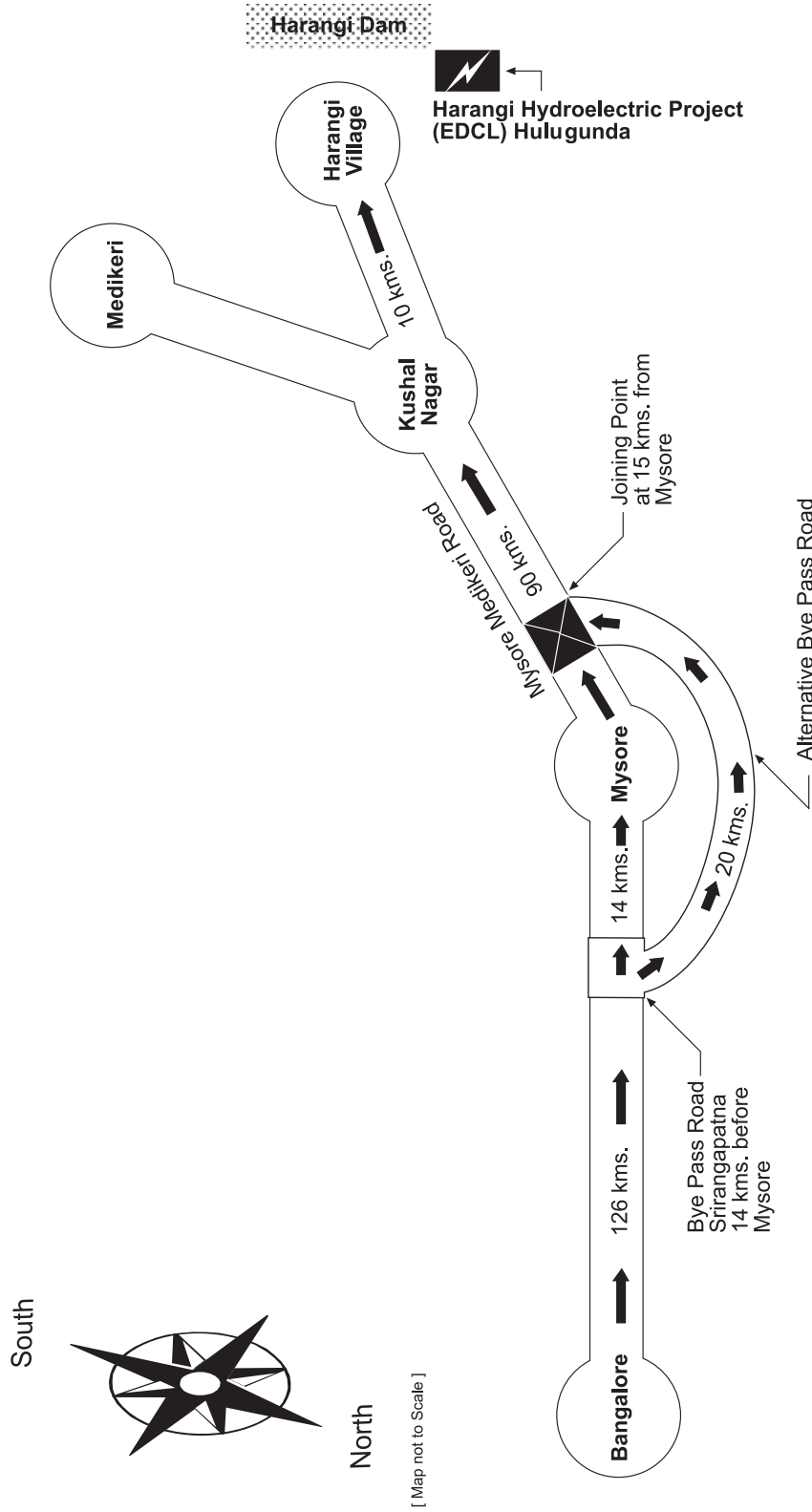
Place : Kolkata  
Dated : 28th May, 2015

### For and on behalf of the Board of Directors

Sd/- **Amar Singh**, Non Executive Chairman  
Sd/- **Sanjiv Saraf**, Executive Director  
Sd/- **Sanjay Kumar Gupta**, Director  
Sd/- **Vijoy Kumar**, Director  
Sd/- **Amit Damani**, Chief Financial Officer  
Sd/- **Vijayshree Binnani**, Dy. Company Secretary



**ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING**



**ROUTE MAP TO EDCL PLANT SITE AT HARANGI  
HARANGI HYDROELECTRIC PROJECT**

Hulugunda Via. Kushal Nagar  
Dist. : Kodagu, Karnataka - 571 233



**ENERGY DEVELOPMENT COMPANY LIMITED**

CIN : L85110KA1995PLC017003

Regd. Office : Harangi Hydroelectric Project, Village – Hulugunda, Taluka – Somawarpet, District – Kodagu, Karnataka – 571 233

Phone : (08276) 277040, Fax : (08276) 277012

E-maile : edclhhep@gmail.com, Website : www.edclgroup.com

**PROXY FORM**

**(From No. MGT -11)**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**Name of the Member(s) :**

**Registered Address :**

**E-mail Id :**

**Folio No. / Client Id :**

**DP ID**

I / We, being the member(s) of ..... shares of abovementioned Company hereby appoint :

- (1) Name ..... Address .....  
E-mail Id ..... Signature ..... or failing him / her;
- (2) Name ..... Address .....  
E-mail Id ..... Signature ..... or failing him / her;
- (3) Name ..... Address .....  
E-mail Id ..... Signature .....

as my /our proxy to attend and vote (on a poll) for me / us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on Tuesday, the 29th day of September, 2015 at 1:30 P. M. at Harangi Hydro Electric Project, Village – Hulugunda, Taluka – Somawarpet, District – Kodagu, Karnataka – 571 233 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution Number	Description	OPTIONAL	
		FOR	AGAINST
<b>Ordinary Business</b>			
1.	Adoption of Audited standalone and consolidated Financial Statements together with Directors' Report and Auditors' Report thereon for the year ended on 31st March, 2015.		
2.	To declare Dividend for the financial year ended on 31st March, 2015.		
3.	Appointment of Mr. Amar Singh (DIN : 00165567) as Director, who retires by rotation and being eligible offers himself for re-appointment.		
4.	Ratification of appointment of M/s. Lodha & Co., Chartered Accountants (Firm Registration No. : 301051E) as Auditors' of the Company for financial year 2015-16.		
<b>Special Business</b>			
5.	Ratification of remuneration of M/s. N. Radha Krishnan & Co., Cost Accountants as Cost Auditors of the Company for financial year 2015-16.		
6.	Appointment of Mr. Bijay Kumar Garodia (DIN : 00044379) as an Independent Director of the Company.		

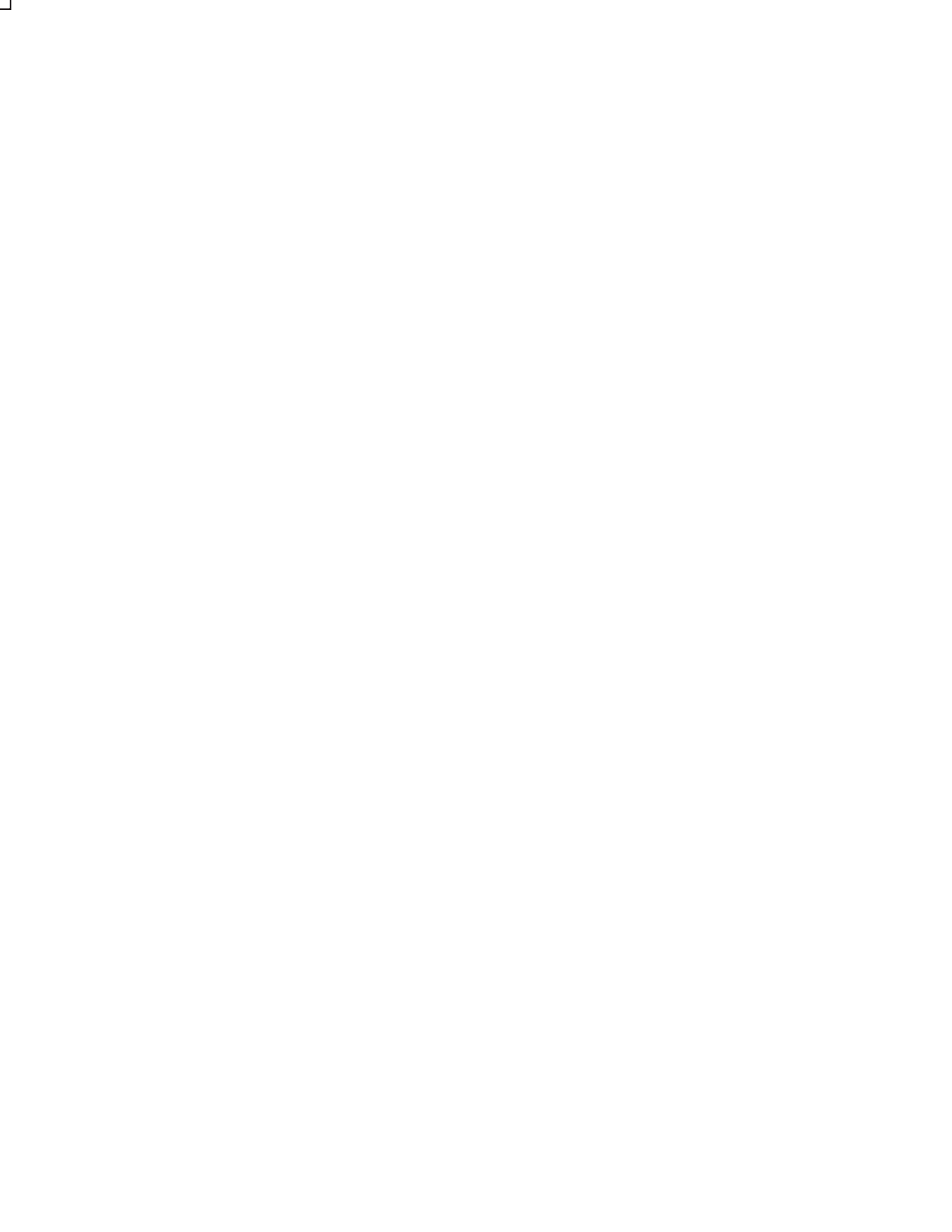
Signed this ..... day of September, 2015.

Signature of Shareholder(s) .....

Signature of Proxy holders(s) .....

**Affix  
Re.1/-  
Revenue  
Stamp**

**Note :** This form of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





**ENERGY DEVELOPMENT COMPANY LIMITED**

CIN : L85110KA1995PLC017003

Regd. Office : Harangi Hydroelectric Project, Village – Hulugunda, Taluka – Somawarpet, District – Kodagu, Karnataka – 571 233

Phone : (08276) 277040, Fax : (08276) 277012

E-maile : edclhhep@gmail.com, Website : www.edclgroup.com

**ATTENDANCE SLIP**

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.**

Joint Shareholders may obtain additional slip on request.

Name and Address of the Shareholder : .....

Folio No. : .....

DP ID : .....

Client ID : .....

No. of Shares : .....

I hereby record my presence at the **20th Annual General Meeting** of the Company, to be held on Tuesday, the 29th day of September, 2015 at 1:30 p. m. at its Registered Office of the Company at Harangi Hydro Electric Project, Village – Hulugunda, Taluka – Somawarpet, District – Kodagu, Karnataka – 571 233.

.....  
Signature of the Shareholder / Proxy\*

\*Strike out whichever is not applicable.





## ENERGY DEVELOPMENT COMPANY LIMITED

CIN : L85110KA1995PLC017003

Regd. Office : Harangi Hydroelectric Project, Village – Hulugunda, Taluka – Somawarpet, District – Kodagu, Karnataka – 571 233

Phone : (08276) 277040, Fax : (08276) 277012

E-mail : edclhhep@gmail.com, Website : www.edclgroup.com

### BALLOT FORM

(In Lieu of e-voting)

Name of the Member(s)			
Registered Address			
E-mail Id			
Folio No. / Client Id		DP ID	

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of the 20th Annual General Meeting of the Company to be held on Tuesday, the 29th September, 2015 by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below.

Resolution Number	Description	OPTIONAL	
		FOR	AGAINST
<b>Ordinary Business</b>			
1.	Adoption of Audited standalone and consolidated Financial Statements together with Directors' Report and Auditors' Report thereon for the year ended on 31st March, 2015.		
2.	To declare Dividend for the financial year ended on 31st March, 2015.		
3.	Appointment of Mr. Amar Singh (DIN : 00165567) as Director, who retires by rotation and being eligible offers himself for re-appointment.		
4.	Ratification of appointment of M/s. Lodha & Co., Chartered Accountants (Firm Registration No. : 301051E) as Auditors' of the Company for financial year 2015-16.		
<b>Special Business</b>			
5.	Ratification of remuneration of M/s. N. Radha Krishnan & Co., Cost Accountants as Cost Auditors of the Company for financial year 2015-16.		
6.	Appointment of Mr. Bijay Kumar Garodia (DIN : 00044379) as an Independent Director of the Company.		

Place :

Date :

\_\_\_\_\_  
Signature of Shareholder

#### Notes :

- Members have the option to request for physical copy of the Ballot Form by sending an e-mail to secretarial@edclgroup.com by mentioning their Folio/DP-ID and Client- ID No.
- Duly completed Ballot Form should reach the Corporate Office of the Company not later than Monday 28.09.2015. Ballot Form received after this date will be treated as invalid.
- A Member can opt for only one mode of voting i.e either through e-voting or by Ballot. If a Member casts vote by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- The Voting right of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the Cut-off date (record date) of 22.09.2015.
- Please complete all details including details of Member(s) in above box before submission. The Ballot Form should be signed by the Members as per the specimen signature registered with the Company.
- In case of shares held by companies, trusts, societies etc. the duly completed Ballot Form should be accompanied by a certified copy of the Board Resolution/ Authority and preferably with attested specimen signature(s) of the duly authorized signatory(s) giving requisite authority to the person voting on ballot form.
- The exercise of vote by ballot is not permitted through proxy.
- There will be only one Ballot Form for every folio/client ID irrespective of the number of joint holders.
- The Scrutinizer's decision on the validity of a Ballot shall be final.
- This Ballot Form is an integral part of the Notice of the Annual General Meeting to be held on 29.09.2015.







## ENERGY DEVELOPMENT COMPANY LIMITED

CIN : L85110KA1995PLC017003

Regd. Office : Harangi Hydroelectric Project, Village – Hulugunda, Taluka – Somawarpet, District – Kodagu, Karnataka – 571 233

Phone : (08276) 277040, Fax : (08276) 277012

E-mail : edclhhep@gmail.com, Website : www.edclgroup.com

### Annexure to Notice for 20th Annual General Meeting of the Company to be held on 29-09-2015

Name & Registered  
Address of Sole/  
First named Member

Joint Holders Name  
(If any)

Folio No. / DP ID &  
Client ID

No. of Equity  
Shares Held

Dear Shareholder,

#### **Subject : Process and manner for availing E-voting facility:**

Pursuant to Provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide E-voting facility to the members to cast their votes electronically on all resolutions proposed to be considered at the 20th Annual General Meeting of the Members of the Company to be held at its Registered Office of the Company at Village – Hulugunda, Taluka – Somawarpet, District – Kodagu, Karnataka – 571 233 on Tuesday, the 29th day of September, 2015 at 01:30 P. M. and at any adjournment thereof.

The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility. The e-voting facility is available at the link <https://www.evoting.nsdl.com>.

#### **The Electronic Voting Particulars are set out below :**

<b>EVEN (Electronic Voting Event Number)</b>	<b>USER - ID</b>	<b>PASSWORD</b>
<b>102885</b>		

#### **The E-voting facility will be available during the following voting period :**

<b>Remote e-Voting start on</b>	<b>Remote e-Voting end on</b>
26th September, 2015 at 10:00 A.M. (IST)	28th September, 2015 at 5:00 P.M. (IST)

Please read the instructions mentioned in the Notice before exercising your vote.

By Order of the Board  
For **Energy Development Company Limited**

Date : 01-09-2015  
Place : Kolkata

Sd/-  
**Vijayshree Binnani**  
(Dy. Company Secretary)

Encl : AGM Notice / Attendance Slip / Proxy Form / Annual Report



*If undelivered, please return to :*

**Energy Development Company Limited**

'EDCL House', 1A Elgin Road, Kolkata - 700 020