



Energy Development Company Limited

Annual Report & Accounts 2010-2011

16TH
ANNUAL REPORT & ACCOUNTS
2010 - 2011



ENERGY DEVELOPMENT
COMPANY LIMITED

**Annual General Meeting on Tuesday, the
13th day of September, 2011 at 11:30 A.M.
at Harangi Hydroelectric 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 w.e.f. 01.08.2011)

Executive Director

Mr. Sanjiv Saraf

Directors

Mr. Amitabh Bachchan (upto 25.07.2011)
Mr. Gouri Prasad Goenka
Mr. Harshavardhan Neotia (upto 25.07.2011)
Mr. Inder Chand Jain (upto 10.02.2011)
Mrs. Pankaja Kumari Singh
Mr. Sanjay Kumar Gupta
Mr. Vijoy Kumar (from 25.07.2011)
Mr. Tarun Chaturvedi (from 08.08.2011)

Dy. Company Secretary

Mrs. Sunnoo Bahri

Statutory Auditors

M/s. Lodha & Co.
Chartered Accountants

Registered Office

Harangi Hydroelectric Project
Village – Hulugunda, Taluka – Somawarpet
District – Kodagu, Karnataka – 571 233

Corporate Office

EDCL HOUSE
1A, Elgin Road, Kolkata - 700 020

Principal Bankers

Allahabad Bank
ICICI Bank Limited
State Bank of India
The Federal Bank Limited
The Royal Bank of Scotland
Yes Bank Limited

Audit Committee

Mr. Sanjay Kumar Gupta (Chairman)
Mr. Sanjiv Saraf
Mr. Vijoy Kumar

Shareholders' & Investors'

Grievance Committee

Mrs. Pankaja Kumari Singh (Chairperson)
Mr. Amar Singh
Mr. Sanjiv Saraf

Registrar & Share Transfer Agent

Niche Technologies Private Limited
D-511, Bagree Market, 5th Floor
71, Biplabi Rash Behari Basu Road
Kolkata – 700 001

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 **SIXTEENTH 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 13th day of September, 2011 at 11:30 A. M. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date, together with the Directors' and Auditors' Report thereon.
2. To declare dividend.
3. To elect a Director in place of Mrs. Pankaja Kumari Singh, who retires by rotation and being eligible offers herself for re-appointment.
4. To elect a Director in place of Mr. Sanjay Kumar Gupta, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

Appointment of Directors

6. To consider and if thought fit, pass with or without modification(s) the following as an **Ordinary Resolution** :
“**RESOLVED THAT** Mr. Vijoy Kumar, who was appointed as an Additional Director of the Company in pursuance of Section 260 of the Companies Act, 1956 and who ceases to hold office from the conclusion of this meeting and in respect of whom the company has received a notice under Section 257 of the Companies Act, 1956 from a shareholder, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose office shall be liable to be determined by rotation.”
7. To consider and if thought fit, pass with or without modification(s) the following as an **Ordinary Resolution** :
“**RESOLVED THAT** Mr. Tarun Chaturvedi, who was appointed as an Additional Director of the Company in pursuance of Section 260 of the Companies Act, 1956 and who ceases to hold office from the conclusion of this meeting and in respect of whom the company has received a notice under Section 257 of the Companies Act, 1956 from a shareholder, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose office shall be liable to be determined by rotation.”

8. **Re- appointment of Executive Director.**

To consider and if thought fit, pass with or without modification(s) the following, as a **Special Resolution** :

“**RESOLVED THAT** subject to the approval of the shareholders in general meeting and approval of such authorities as may be necessary and pursuant to the provisions of Sections 198, 309, 310, 311 and 269 of the Companies Act, 1956, (the Act) read with Schedule XIII to the Act and any other provisions of the Act, if any, Mr. Sanjiv Saraf, Director be and is hereby re – appointed as the Executive Director of the Company for a period of three years, w.e.f. 1st day of April, 2011 on such terms and conditions, emoluments, prerequisites and benefits as are detailed herein below:

Salary :

- a) Basic Salary ₹ 1,50,000/- p.m. upto 30.09.2011, thereafter ₹ 2,50,000/- with annual increment upto 30% of basic salary, starting from April 01, 2012, as may be decided by the Board.
- b) **Performance Incentive :**
As may be decided by the Board, subject to a ceiling of 100% of the Annual Basic Salary (Variable Incentive 0-100% of the Annual Basic Salary).



c) **Allowances :**

(i) **Residential Accommodation :**

The Company shall provide rent free un-furnished accommodation for occupation by self and family or House Rent Allowance upto 60% of basic salary.

(ii) **Leave Travel Allowance:**

Once in a year for self and family, as per Rules of the Company.

d) **Perquisites & Benefits :**

(i) **Contribution to Provident Fund and Superannuation Fund :**

Contribution to Provident Fund and Superannuation Fund, as per Rules of the Company and subject to the extent these either singly or put together are not taxable under the Income-Tax Act.

(ii) **Gratuity :**

Gratuity shall be paid equal to half month's salary for each completed year of service.

(iii) **Medical Expenses :**

Reimbursement of medical expenses, including hospitalisation and surgical charges, incurred in India and / or abroad for Mr. Sanjiv Saraf and his family, as per the Rules of the Company or as decided by the Board.

(iv) **Personal Accident Insurance :**

Personal accident insurance policy in accordance with the scheme applicable to senior employees of the Company.

(v) **Leave and Leave Encashment :**

In accordance with the Rules of the Company or as decided by the Board.

(vi) **Car :**

The Company shall provide fully maintained two cars with driver / reimbursement of driver's salary, as per the Rules of the Company.

(vii) **Communication facilities :**

Expense incurred towards Mobile, Telephone / Telefax and other suitable communication facilities, at the residence will be reimbursed, as per the Rules of the Company.

(viii) **Club Fees :**

Annual Membership fees of 2 Clubs and expenses incurred thereat, excluding admission fees.

(ix) **Others :**

Such other perquisites, benefits and allowances in accordance with the Rules of the Company or as decided by the Board.

The aggregate value of all the perquisites and allowances, in a year shall not exceed 50% of the basic salary.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated, as per the provisions of Income Tax Act, 1961 and the Rules made thereunder, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

e) **Overall Remuneration :**

The aggregate of salary and perquisites / allowances, in any financial year shall not exceed the limits prescribed, from time to time under Section 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act, as may for the time being be in force.

f) **Minimum Remuneration :**

In case of loss or inadequacy of profits in any financial year, during the tenure of his service, the payment of salary and perquisites and other allowances shall be governed by the limits prescribed under section II of Part II of Schedule XIII to the Companies Act, 1956.

Other Terms and Conditions:

As long as Mr. Sanjiv Saraf, functions as Executive Director of the Company, no sitting fee will be paid to him for attending the Meetings of the Board of Directors or Committee thereof.



The Executive Director shall not become interested or otherwise concerned directly or through his wife and / or minor children, in any selling agency of the Company, without the prior approval of the Central Government, wherever applicable.

Mr. Saraf can take up directorship / membership of any Company / organization / committees set up by any body corporate / authorities, so long as it does not conflict with the interest of the Company.

Either party shall be entitled to terminate the appointment at any time by giving to the other party 180 days notice in writing or salary in lieu thereof."

"RESOLVED FURTHER THAT The Board of Directors have the liberty to vary the remuneration payable to Mr. Saraf, so as not to exceed the remuneration beyond the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force or any amendments and / or modifications that may, hereafter be made thereto or as may be agreed to between the Board of Directors and Mr. Sanjiv Saraf."

By Order of the Board
For Energy Development Company Limited

Place : Kolkata
Date : 8th August, 2011

Sd/- Sunnoo Bahri
Dy. Company Secretary

Notes :

1. The relevant Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, is annexed and marked "A".
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting.
3. Proxy form is annexed herewith.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 08.09.2011 till 13.09.2011 (both days inclusive).
5. The dividend on equity shares when declared at the Annual General Meeting, will be paid to the shareholders, whose names stand on the Register of Members, as on 13th September, 2011.
6. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the company for payment of the dividend, if declared. The Company or its Registrar cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank account details or mandates. Such changes are to be intimated only to the respective Depository Participant of the Shareholders.
7. As required by the Listing Agreement, details of the Directors retiring by rotation (item no.3 and 4 of notice) and are eligible for re-appointment is annexed herewith and marked "B". The details of Executive Director and two other additional directors are also given therein.
8. Please intimate any change in your address to the Registrar and share transfer agent of the Company.



ANNEXURE "A" TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 6

Mr. Vijoy Kumar, was appointed as an additional director of the Company with effect from 25th July, 2011. In pursuance of Section 260 of the Companies Act, 1956 Mr. Vijoy Kumar shall cease to be a director of the company from the conclusion of the ensuing Annual General Meeting. A notice under section 257 of the Companies Act, 1956 alongwith a deposit of ₹ 500/- has been received from a shareholder signifying his intention to propose the candidature of Mr. Vijoy Kumar as a Director of the Company. The Company has also received Form 'DD-A' pursuant to the Companies (Disqualification of Directors under section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming that he had not incurred any disqualification under section 274(1)(g) of the Companies Act, 1956. His experience, directorship and other details are given in the Annexure "B" to the Notice.

Your Board recommends appointment of Mr. Vijoy Kumar as a director of the company.

Mr. Vijoy Kumar shall be deemed to be concerned or interested being an appointee himself. None of the other directors shall be deemed to be concerned or interested in the proposed resolution, except as shareholders, if any.

ITEM NO. 7

Mr. Tarun Chaturvedi, was appointed as an additional director of the Company with effect from 8th August, 2011. In pursuance of Section 260 of the Companies Act, 1956 Mr. Chaturvedi shall cease to be a director of the company from the conclusion of the ensuing Annual General Meeting. A notice under section 257 of the Companies Act, 1956 alongwith a deposit of ₹ 500/- has been received from a shareholder signifying his intention to propose the candidature of Mr. Tarun Chaturvedi as a Director of the Company. The Company has also received Form 'DD-A' pursuant to the Companies (Disqualification of Directors under section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming that he had not incurred any disqualification under section 274(1)(g) of the Companies Act, 1956. His experience, directorship and other details are given in the Annexure "B" to the Notice.

Your Board recommends appointment of Mr. Tarun Chaturvedi as a director of the company.

Mr. Tarun Chaturvedi shall be deemed to be concerned or interested being an appointee himself. None of the other directors shall be deemed to be concerned or interested in the proposed resolution, except as shareholders, if any.

ITEM NO. 8

Mr. Sanjiv Saraf is M. Tech, having over 34 years of experience in Electrical Engineering and Hydro electric Projects. Mr. Saraf is the Executive Director of the Company since 01.08.2006 and looks after the business development and operations. He had been paid a sum of ₹ 27,20,000/- for the financial year 2010-11. The remuneration proposed to be paid to him is detailed in item no. 8 of the Notice. The Proposed remuneration commensurate with his qualification and experience with respect to the industry, size of the Company, his position and profile. He does not have any pecuniary relationship directly or indirectly with the Company apart from receiving his remuneration. His other details are given in Annexure "B" to the Notice.

The Company is engaged in generation of power and infrastructure development. Financial performance of the Company is reflected in the Annual Accounts for the year 2010-2011. Majority of the projects of the Company has been divested to its wholly owned subsidiaries, resulting in inadequacy of profit for the purpose of calculation of Managerial Remuneration.

The payment of proposed remuneration to Mr. Sanjiv Saraf had been approved by the Remuneration Committee, consisting of non - executive independent directors, in its meeting held on 10.05.2011.

Your Directors recommend the passing of the special resolution.

Mr. Sanjiv Saraf, Executive Director shall be deemed to be concerned or interested in the resolution being the beneficiary. None of the other directors shall be deemed to be concerned or interested, except as shareholders, if any.



ANNEXURE "B" TO THE NOTICE OF 16TH ANNUAL GENERAL MEETING

PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

MRS. PANKAJA KUMARI SINGH	: Promoter, Non-Executive Director
Date of Birth	: 25.09.1957
Qualification	: B. A.
Expertise and experience in specific functional areas	: She is having vast experience in the field of Management.
Directorship held in other Companies	: EDCL Power Projects Limited, EDCL (Europe) Limited, Maitri Estates Private Limited.
Membership in Board Committees	: Chairperson, Shareholders' and Investors' Grievance Committee of Energy Development Company Limited.
Numbers of Share / Warrants held in the Company as on 31.03.2011	: 4,68,938 Equity Shares
MR. SANJAY KUMAR GUPTA	: Independent, Non – Executive Director
Date of Birth	: 09.04.1964
Qualification	: B. Com, FCS, ACIS (London)
Expertise and experience In specific functional areas	: He is practicing as Company Secretary since last 23 years. He has authored many books on Company Law. He was the Chairman of Eastern India Regional Council of the Institute of Company Secretaries of India. He has vast knowledge and experience in the field of Corporate Laws and Finance.
Directorship held in other Companies	: Alliance Coffee Ltd., Coral Softwares Ltd., J. J. Financial Corporation Ltd., MSV Securities Ltd., Wellesley Commercial Company Ltd. Hari Radha Healthy Agri Food Products Pvt. Ltd., Sunrise DSC Services Pvt. Ltd., SGA Corporate Advisors Pvt. Ltd.
Membership in Board Committees	: Chairman, Audit Committee of Energy Development Company Limited, Chairman, Remuneration Committee of Energy Development Company Limited.
Numbers of Share /Warrants held in the Company as on 31.03.2011	: 6,000 Equity Shares
MR. VIJOY KUMAR	: Independent, Non – Executive Director
Date of Birth	: 19.12.1943
Qualification	: B. Sc. Engineering (Electrical)
Expertise and experience In specific functional areas	: He is having vast experience over 45 years in electrical engineering and Hydro Electric Projects. Mr. Vijoy Kumar has held various important positions viz. Former Chairman, UP Electricity Regulatory Commission, Secretary, CEA, New Delhi, Member Secretary, Western Regional Electricity Board (WREB), Northern Regional Electricity Board (NREB), North Eastern Regional Electricity Board (NEREB), Chief Engineer, Distribution, Planning & Development, CEA and Power Department, Gangtok, Government of Sikkim and Ex Director of Northe Eastern Electric Power Company, Shillong.
Directorship held in other Companies	: Roto Pumps Limited, KLG Systels Limited and Lanco Mandakini Hydro Energy Private Limited
Membership in Board Committees	: Member, Audit Committee of Energy Development Company Limited
Numbers of Share /Warrants held in the Company as on 31.03.2011	: Nil
MR. TARUN CHATURVEDI	: Independent, Non – Executive Director
Date of Birth	: 10.12.1971
Qualification	: B. Com (Hons), FCA
Expertise and experience In specific functional areas	: He is practicing as a Chartered Accountant for over 15 years. He has vast knowledge, experience and expertise in the field of Accounts, Taxation and legal services. He has authored various books on Taxation, Tax Audit and TDS
Directorship held in other Companies	: Tantia Agrochemicals Private Limited
Membership in Board Committees	: Nil
Numbers of Share /Warrants held in the Company as on 31.03.2011	: Nil
MR. SANJIV SARAF	: Executive Director
Date of Birth	: 13.05.1955
Qualification	: M. Tech. from B. H. U. (Varanasi)
Expertise and experience In specific functional areas	: He has vast experience of 34 years in Electrical Engineering and Hydro electric Projects.
Directorship held in other Companies	: EDCL Power Projects Limited, EDCL Infrastructure Limited, Ester (India) Chemicals Limited, Ayyappa Hydro Power Limited, EDCL (Europe) Limited, Heinzmann India Private Limited, Eastern Ramganga Valley Hydel Projects Co. Pvt. Ltd., Sarju Valley Hydel Projects Company Private Limited, EDCL – Seppa Beyond Hydro Electric Private Limited, EDCL – Seppa Kawa Power Private Limited, EDCL – Tawang Lower Tsachu Hydro Electric Private Limited, EDCL – Tawang Upper Tsachu Hydro Electric Private Limited, EDCL – Seppa Nire Hydro Electric Private Limited, EDCL – Seppa Jung Power Private Limited, EDCL – Tawang Power Private Limited, EDCL – Seppa Pachuk Power Private Limited, EDCL – Seppa Dunkho Hydro Electric Private Limited, EDCL – Seppa Lada Hydro Electric Private Limited, EDCL – Seppa Riang Power Private Limited, EDCL – Seppa Marjingla Hydro Electric Private Limited, EDCL – Arunachal Projects Private Limited.
Membership in Board Committees	: Member, Shareholders' and Investors' Grievance Committee of Energy Development Company Limited. Member, Audit Committee of Energy Development Company Limited.
Numbers of Share /Warrants held in the Company as on 31.03.2011	: 10,000 Equity Shares



DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting **SIXTEENTH ANNUAL REPORT** and Audited Statements of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

The Financial Results of the Company for the year ended on 31st March, 2011 are summarized as under :

	As on 31.03.2011 (Rupees)	As on 31.03.2010 (Rupees)
Gross Turnover	47,01,59,899	31,58,31,677
Operating Profit before Interest, Depreciation & Tax	12,63,28,197	17,87,14,427
Interest and other Financial Charges	51,22,333	49,01,260
Depreciation	4,18,04,491	3,38,26,767
Net profit before Tax	7,94,01,373	13,99,86,401
Provision for Income Tax (including tax for earlier years)	1,25,10,309	2,38,16,039
Provision for Deferred Tax	(37,23,492)	21,01,953
Net profit after Tax	7,06,14,556	11,40,68,409
Add: Balance brought forward from previous year	45,95,01,624	37,76,06,840
Profit available for appropriation	53,01,16,180	49,16,75,249
Proposed Dividend	2,75,00,000	2,75,00,000
Corporate Tax on Dividend	46,73,625	46,73,625
Balance to be carried forward	49,81,54,993	45,95,01,624

DIVIDEND

Your Directors recommend payment of dividend @ 10 % on the paid – up share capital of the Company, i.e. Re.1/- per equity share of Rs.10/- each. The amount of dividend and tax thereon aggregates to Rs.3.217 crores.

OPERATIONS

The Company is primarily engaged in power generation and other infrastructure development businesses such as construction of roads, bridges, power plants including operation and maintenance thereof, supply of equipments and auxiliaries for power plants etc. Detailed information on the operations of different business segments of the company are covered in the Management Discussion and Analysis Report, attached herewith and forms a part of this Report.

NEW CONTRACTS

During the year under review the Company has received a number of contracts valued at Rs.113 Crores (approx) in the States of Maharashtra, Bihar and Tripura, *inter alia* for construction / replacement of bridges, supply of main generating equipments / auxiliaries etc., its erection, testing & commissioning and operation & maintenance of Power House etc. to be completed within August, 2011 to March, 2013.

NEW PROJECTS

The Government of Arunachal Pradesh has allotted 3 new Hydro Electric Projects having an aggregate capacity of 143 MWs. The capacity of existing 7 Hydro Electric Projects in Arunachal Pradesh has been enhanced from 270 MWs to 373 MWs. The Company has also acquired 2 Hydro Electric Projects having an aggregate capacity of 39 MWs situated in the State of Arunachal Pradesh. Accordingly, the Company now has altogether 12 Hydro Electric Projects having an aggregate capacity of 555 MWs in the State of Arunachal Pradesh. Your Company has also acquired two private Limited Companies having 3 Hydro Electric Projects having an aggregate capacity of 17 MWs in the State of Uttarakhand.

**SUBSIDIARY COMPANIES**

During the year under review Ayyappa Hydro Power Limited and EDCL Power Projects Limited has been continued to be wholly owned Subsidiaries of the Company. Several subsidiary companies were formed, during the year for transferring individual projects to each such companies, in terms of the Memorandum of Understanding entered into between the Company and the Government of Arunachal Pradesh. Brief description of the subsidiary companies, as on 31.03.2011 is given below :

1. Ayyappa Hydro Power Limited

The 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. It is proposed to sale the entire generation from this unit to the Kerala State Electricity Board (KSEB) under a Long term Power Purchase Agreement (PPA). The first phase of the project is likely to be operational in the current financial year and the relevant PPA is also likely to be signed.

2. EDCL Power Projects Limited

The Company is operating the 7 MW Ullunkal Hydro Electric Project in the State of Kerala. The procedural formalities regarding transfer of the project from Energy Development Company Limited is yet to be completed. Due to which the Power Purchase Agreement between the Company and the KSEB for supply of electricity is yet to be signed. However, the company is receiving interim payments from KSEB for supply of electricity.

3. EDCL (Europe) Limited

The Company was incorporated as on 08.12.2010, but no capital contribution has been made till 31.03.2011.

4. EDCL – Seppa Beyong Hydro Electric Private Limited

The Company is developing 40 MW Pakke Bung – I Hydro Electric Project on Pakke Bung River in the East Kameng District of Arunachal Pradesh.

5. EDCL – Seppa Kawa Power Private Limited

The Company is developing 48 MW Marjingla Lower Hydro Electric Project in the East Kameng District of Arunachal Pradesh.

6. EDCL – Tawang Lower Tsachu Hydro Electric Private Limited

The Company is developing 50 MW Tsa Chu – I Hydro Electric Project in the Tawang District of Arunachal Pradesh.

7. EDCL – Tawang Upper Tsachu Hydro Electric Private Limited

The Company is developing 24 MW Tsa Chu – I Hydro Electric Project in the Tawang District of Arunachal Pradesh.

8. EDCL – Seppa Nire Hydro Electric Private Limited

The Company is developing 15 MW Pakke Bung – IV Hydro Electric Project in the East Kameng District of Arunachal Pradesh.

9. EDCL – Seppa Jung Power Private Limited

The Company is developing 24 MW Pakke Bung – III Hydro Electric Project in the East Kameng District of Arunachal Pradesh.

10. EDCL – Tawang Power Private Limited

The Company is developing 90 MW Tsa Chu – II Hydro Electric Project in the Tawang District of Arunachal Pradesh.

11. EDCL – Seppa Pachuk Power Private Limited

The Company is developing 84 MW Pachuk – I Hydro Electric Project in the East Kameng District of Arunachal Pradesh.

12. EDCL – Seppa Dunkho Hydro Electric Private Limited

The Company is developing 60 MW Pachuk – II Hydro Electric Project in the East Kameng District of Arunachal Pradesh.

13. EDCL – Seppa Lada Hydro Electric Private Limited

The Company is developing 45 MW Pachuk – II Lower Hydro Electric Project in the East Kameng District of Arunachal Pradesh.

14. EDCL – Seppa Rieng Power Private Limited

The Company is developing 15 MW Pakke Bung – II Hydro Electric Project in the East Kameng District of Arunachal Pradesh.

**15. EDCL – Seppa Marjingla Hydro Electric Private Limited**

The Company is developing 60 MW Marjingla Hydro Electric Project in the East Kameng District of Arunachal Pradesh.

16. EDCL – Arunachal Projects Private Limited

The Company was incorporated to oversee and facilitate various implementation of projects in the State of Arunachal Pradesh.

17. 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.

18. Sarju Valley Hydel Projects Co. Private Limited

The Company is executing 5.5 MW Balighat Small Hydro Electric Project, in the State of Uttarakhand.

In view of the exemption granted by the Ministry of Corporate Affairs, Government of India, vide its general circular no. 2/2011 dated 8th February, 2011, the Annual Accounts along with Report of Directors and Auditors of Subsidiary Companies are not required to be attached with the Annual Report of your Company. Shareholders desirous of obtaining Report and Accounts of the abovementioned Subsidiary Companies may obtain the same on request. Also, the Report and Accounts of the Subsidiary Companies shall be available for inspection by Shareholders at the Corporate Office of the Company and the Registered Office of the Subsidiary Companies during the business hours.

The Consolidated Financial Statement prepared in accordance with the Accounting Standard – 21 is annexed with the Annual Accounts of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Clause 49 of the Listing Agreement with the stock exchanges, the Management Discussion and Analysis Report for the year under review, is given under a separate section and forms part of this Report.

CORPORATE GOVERNANCE

The Company has complied with all the mandatory requirements of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement with the stock exchanges. A report on Corporate Governance together with the Auditor's Certificate on the compliance of conditions of Corporate Governance is given in a separate section and forms part of the Annual Report. Further, a declaration signed by the Executive Director, affirming compliance with the Code of Conduct by all the Board members and senior management personnel along with a Certificate from the Executive Director (CEO) / Dy. General Manager – Commercial (CFO) required under clause 49(V) of the Listing Agreement are also given therein.

Mr. Sanjiv Saraf had been re-appointed as an Executive Director of the Company w.e.f. 01.04.2011 and his proposed remuneration package in detail has been given in the draft resolution of the Notice. No stock option is given to Mr. Saraf.

CONSOLIDATED FINANCIAL STATEMENTS

The directors also present the audited consolidated financial statements incorporating the duly audited financial statements of the subsidiaries as mentioned above which is prepared in compliance with the accounting standards and listing agreements.

DIRECTORS

Mr. Vijoy Kumar and Mr. Tarun Chaturvedi had been appointed as an Additional Director (Independent) on 25.07.2011 and 08.08.2011 respectively. In pursuance of Section 260 of the Companies Act, 1956, they shall cease to be directors of the Company from the conclusion of the ensuing Annual General Meeting. Notices under section 257 of the Companies Act, 1956 have been received from shareholders signifying their intention to propose the name of Mr. Vijoy Kumar and Mr. Tarun Chaturvedi as Directors of the Company.

Mrs. Pankaja Kumari Singh and Mr. Sanjay Kumar Gupta, Directors, are liable to retire by rotation and being eligible offer themselves for re-appointment.

Your Board has also received Form 'DD-A' pursuant to the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, from the aforementioned directors confirming that they have not incurred any disqualification under Section 274(1)(g) of the Companies Act, 1956. Your Board recommends their re-appointment.

Mr. Sanjiv Saraf, Executive Director was appointed for a period of three years, which ended on 31st march, 2011. Your Board has reappointed him for a further period of 3 years w.e.f. 1st day of April, 2011 and also revised his remuneration package. Your Board recommend passing of the special resolution for his re-appointment, as per the terms and conditions, set out in the draft resolution in the Notice calling the Annual General Meeting.



Mr. Inder Chand Jain, Director resigned w.e.f. 10.02.2011. Mr. Amitabh Bachchan and Mr. Harshavardhan Neotia Directors, have resigned w.e.f. 25.07.2011 from the Board of Directors of your Company. Your Board places on record its appreciation to the immense services rendered by them, during their tenure as Director. The term of office of Mr. Amar Singh, as an Executive Chairman has ended on 31st July, 2011. Mr. Singh has expressed his inability to continue as an Executive Chairman, due to the paucity of time. Accordingly, the Board has appointed Mr. Amar Singh as a Non – Executive Chairman w.e.f. 01.08.2011.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 with regard to the Directors' Responsibility Statement, your Board confirms that :

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departures;
- (b) the selected accounting policies were applied consistently and the Directors 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 the end of the financial year on 31st March, 2011 and of the Profit or Loss of the company, for the year ended on that date.
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) the annual accounts have been prepared on a going concern basis.

PARTICULARS OF ENERGY CONSERVATION, ETC.

Particulars in respect of conservation of energy and technology absorption required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are given in a separate annexure, attached hereto and forms part of this report. There were no foreign exchange earning during the Financial Year 2010 – 2011, but foreign exchange have been used for the purposes of travelling etc. details whereof are given in the annexure.

AUDITORS

The Auditors, M/s. Lodha & Co., Chartered Accountants, vacate their office at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. They have furnished a certificate to the effect that their proposed appointment, if made will be in accordance with the limits specified under Section 224 (1B) of the Companies Act, 1956. Your Board recommends their re-appointment from the conclusion of the ensuing Annual General Meeting, till the conclusion of the next Annual General Meeting.

COST AUDITORS

M/s. N. Radha Krishnan & Co., Cost Accountant of Kolkata has been re-appointed as the Cost Auditor of your Company to conduct Cost Audit for the Financial Year 2011 – 2012.

PERSONNEL

Particulars of employees, as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are given in a separate annexure, attached hereto and forms part of this report.

ACKNOWLEDGEMENTS

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

Your Directors 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: Kolkata

Date : 8th August, 2011

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

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



ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

(A) CONSERVATION OF ENERGY

Electricity is consumed mainly in the offices for the purposes of lightning and running air – conditioner and computers etc. It is also consumed in the Power Plants and Power House auxiliaries mainly for running governor, cooling water pumps, and ventilation, air conditioning and lighting purposes. Effective energy conservation measures are being taken in general and also ensuring that electricity consumption are kept at the minimum.

The Company has also taken some specific measures for conservation of energy at its Harangi Plant site such as:

- i. 12 street lights of 250W Sodium Vapor bulbs have been replaced by 40W CFLs. This reduces consumption of energy by 11,037.6 units per annum.
- ii. It is proposed to install one micro hydro generator for auxiliary consumption, which will reduce transformer loss of 2 lakhs units of energy.
- iii. To reduce consumption of electricity it is proposed to install turbo fan system in place of electrical exhaust fans.
- iv. For the purpose of pumping and street lights it is proposed to use solar / wind power system.

The company does not fall under the category of industries specified in the schedule to the said Rules, accordingly, information in Form A, is not required to be given.

(B) TECHNOLOGY ABSORPTION

Every effort was made to ensure that various equipments relating to the company's power projects correspond to state of the art technology. No specific expenditure on Research and Development is envisaged.

(C) STATEMENT OF FOREIGN EXCHANGE OUTGO FOR THE F. Y. 2010 – 2011

Sl. No.	Particulars	Amount (in Rs.)
1.	Travelling Expenses	53,63,894.46
2.	Professional Charges	2,27,22,255.00
	Total	2,80,86,149.46

PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975

Employed throughout the year and in receipt of the remuneration of Rs. 24 lacs or more per annum.

Sl. No.	Name	Age (years)	Designation	Total Remuneration (Rs.)	Qualification	Experience (Years)	Date of Joining	Previous Employment	Percentage of Equity shares held in the Company
1.	Mr. Amar Singh	55	Chairman	4,800,000	B. A., LLB	35	01.08.2006	Managing Director of Energy Development Company Ltd.	5.303%
2.	Mr. Sanjiv Saraf	56	Executive Director	27,20,000	B. Tech, M. Tech	34	01.08.2002	-	0.036%

Notes :

- 1) Remuneration includes Salary and House Rent Allowance.
- 2) Appointment of Mr. Amar Singh was made for a period of five (5) years w.e.f 01/08/2006. Other terms and conditions are as per the Shareholders' Resolution and Rules of the Company. On the expiry of his tenure on 31.07.2011, he remained Non-Executive Chairman.
- 3) Appointment of Mr. Sanjiv Saraf was made for a period of three (3) years w.e.f 01/04/2008 and has been re – appointed w.e.f.01/04/2011. Other terms and conditions are as per the Shareholders' Resolution and Rules of the Company.
- 4) Mr. Amar Singh is husband of Mrs. Pankaja Kumari Singh, Director.



THE REPORT ON **CORPORATE GOVERNANCE** FOR THE YEAR ENDED ON 31.03.2011

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.

BOARD OF DIRECTORS

The Board of the Company is represented by well known people from different walks of life. It comprises of successful professionals, technocrats, businessmen and persons of high repute. They are well recognized in the society for their contributions and achievements in their respective fields of expertise.

As on 31st March, 2011, Company's Board consists of 7 (Seven) Directors, comprising of 2 (two) Executive Directors, 1 (one) Non – Executive Director and 4 (four) Independent Directors. Thus, the composition of Board is in conformity with clause 49 of the Listing Agreement, which stipulates that at least 50 percent of the Board should consists of independent, if the Chairman of the Board is an Executive Director.

During the Financial Year ended on 31.03.2011 Mr. Inder Chand Jain, Director, has resigned from the Board of the Company, due to ill health.

Board Meetings

The Board of Directors met seven (7) 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.	15.05.2010	8	3
2.	10.07.2010	8	6
3.	14.08.2010	8	4
4.	28.09.2010	8	4
5.	15.11.2010	8	3
6.	10.02.2011 & 11.02.2011 (Adjourned)	8 (7)	3 (3)
7.	03.03.2011	7	3

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 Committee positions. 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 is given below :

Sl. No.	Name of Director	Category	No. of Board Meetings attended	Attendance at the last AGM held on 16.08.2008	No. of Directorship in the Board of other Companies as on 31.03.2009	No. of Membership held in Committees of Board of other Companies as on 31.03.2009*	No. of Chairmanship held in Committees of Board of other Companies as on 31.03.2009*
1.	Mr. Amar Singh	Promoter & Executive Director	7	Yes	2	1	Nil
2.	Mr. Amitabh Bachchan	Independent Non-Executive Director	Nil	No	1	Nil	1
3.	Mr. Gouri Prasad Goenka	Independent Non-Executive Director	2	No	7	Nil	Nil
4.	Mr. Harshvardhan Neotia	Independent Non-Executive Director	2	No	20 (including 5 Sec. 25 Co. and 1 Private Ltd. Cos.)	3	4



Sl. No.	Name of Director	Category	No. of Board Meetings attended	Attendance at the last AGM held on 16.08.2008	No. of Directorship in the Board of other Companies as on 31.03.2009	No. of Membership held in Committees of Board of other Companies as on 31.03.2009*	No. of Chairmanship held in Committees of Board of other Companies as on 31.03.2009*
5.	Mr. Inder Chand Jain (Resigned w.e.f. 10.02.2011)	Independent Non-Executive Director	Nil	No	7	3	1
6.	Mrs. Pankaja Kumari Singh	Promoter & Non-Executive Director	6	No	3 (including 1 Private Ltd. Cos.)	Nil	Nil
7.	Mr. Sanjay Kumar Gupta	Independent Non-Executive Director	2	Yes	8 (including 3 Private Ltd. Cos.)	Nil	Nil
8.	Mr. Sanjiv Saraf	Executive Director	7	Yes	8 (including 3 Private Ltd. Co.)	Nil	Nil

* As per clause 49 of the Listing Agreement, only two Committees viz. Audit Committee and Shareholders' / Investors' Grievance Committee have been considered for this purpose.

Profiles of Directors retiring by rotation

MRS. PANKAJA KUMARI SINGH	: Promoter, Non-Executive Director
Date of birth	: 25.09.1957
Qualification	: B. A.
Expertise and experience In specific functional areas	: She is having vast experience in the field of Management.
Directorship held in other Companies	: EDCL Power Projects Limited, EDCL (Europe) Limited, Maitri Estates Private Limited.
Membership in Board Committees	: Chairperson, Shareholders' and Investors' Grievance Committed of Energy Development Company Limited.
Numbers of Share / Warrants held in the Company as on 31.03.2011.	: 4,68,938 Equity Shares

MR. SANJAY KUMAR GUPTA	: Independent, Non – Executive Director
Date of birth	: 09.04.1964
Qualification	: B. Com, FCS, ACIS (London)
Expertise and experience In specific functional areas	: He is practicing as Company Secretary since last 23 years. He has authored many books on Company Law. He was the Chairman of Eastern India Regional Council of the Institute of Company Secretaries of India. He has vast knowledge and experience in the field of Corporate Laws and Finance.
Directorship held in other Companies	: Alliance Coffee Ltd., Coral Soff'wares Ltd., J. J. Financial Corporation Ltd., MSV Securities Ltd., Wellesley Commercial Company Ltd. Hari Radha Healthy Agri Food Products Pvt. Ltd., Sunrise DSC Services Pvt. Ltd., SGA Corporate Advisors Pvt. Ltd.
Membership in Board Committees	: Chairman, Audit Committee of Energy Development Company Limited, Chairman, Remuneration Committee of Energy Development Company Limited.
Numbers of Share / Warrants held in the Company as on 31.03.2011.	: 6,000 Equity Shares

**Information placed before the Board**

As a policy, all major decisions involving new investments and capital expenditure, in addition to matters which statutorily require Board approval, are put for consideration of the Board. Inter-alia, the following information is regularly provided to the Board as part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting :

- a. Annual operating plans and budgets.
- b. Capital budget-purchase and disposal of plant, machinery and equipments.
- c. Quarterly, half yearly and annual results of the Company.
- d. Minutes of the meetings of the Audit Committee and other Committees of the Board.
- e. Information on recruitment and remuneration of senior officers just below the Board level.
- f. Materially important show cause, demand, prosecution notices and penalty notices.
- g. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- h. Any material default in financial obligations to and by the Company, or substantial non-payment by client.
- i. Any issue, which involves possible public or product liability claims of substantial nature, including any judgments or order which, may have passed strictures on the Conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- j. Details of any joint venture agreement or collaboration agreement.
- k. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- l. Significant labour problems and their proposed solutions. Any significant development in human resources or on the industrial relations front like signing of wage agreement etc.
- m. Sale of material nature of investments, subsidiaries, assets which are not in the normal course of business.
- n. Quarterly details of foreign exchange exposure and the steps taken by the management to limit the risk of adverse exchange rate, movement, if material.
- o. Non-compliance of any regulatory, statutory or listing requirement and shareholders service such as non-payment of dividend, delay in share transfer etc.

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.

Code of Conduct

The Board of Directors has laid down two separate categories of Codes of Conduct one for the non – executive Directors, and the other for the executive Directors and the designated employees in the senior management. 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 to this report.

Risk Management

Your Company has established a well-documented and robust risk management framework. Under this framework, risks are identified across all business process of the Company on an ongoing basis. Once identified, these risks are systematically categorized as strategic risk, business risk or reporting risk. To address these risks in a comprehensive manner, each of risk is mapped to the concerned department for further action. Based on this framework the Company has set in place procedures to periodically place before the Board the risk assessment and minimization procedures being followed by the Company.



Directors with pecuniary relationship or business transaction with the Company

Both the executive directors receive salary, allowances, perquisites and commission while all non-executive Directors receive sitting fees, details of which are given below :

Name of Directors	Sitting Fees*	Salary, allowances and perquisites#	Commission	Total
Mr. Amar Singh	N. A.	48,00,000.00	N. A.	48,00,000.00
Mr. Amitabh Bachchan	0.00	N. A.	-	0.00
Mr. Gouri Prasad Goenka	5,000.00	N. A.	-	5,000.00
Mr. Harshavardhan Neotia	17,500.00	N. A.	-	17,500.00
Mr. Inder Chand Jain	0.00	N. A.	-	0.00
Mrs. Pankaja Kumari Singh	25,000.00	N. A.	-	25,000.00
Mr. Sanjay Kumar Gupta	17,500.00	N. A.	-	17,500.00
Mr. Sanjiv Saraf	N. A.	27,20,000.00	N. A.	27,20,000.00

* Sitting fees includes payment to the Directors for attending meetings of Board Committees.

includes house rent allowance.

The terms of employment of Chairman and also of the Executive Director stipulates a severance notice of six months on either side.

Payment to Non – Executive Directors have been made, based on the number of Board and / or Committee meetings attended by them.

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.

Shares / Convertible Warrants held by Non – Executive Directors as on 31st March, 2011

Name of the Director	Number of Shares held
Mr. Amitabh Bachchan	NIL
Mr. Gouri Prasad Goenka	NIL
Mr. Harshavardhan Neotia	NIL
Mrs. Pankaja Kumari Singh	4,68,938
Mr. Sanjay Kumar Gupta	6,000

The Company does not have any Convertible Warrant as on 31st March, 2011.

BOARD COMMITTEES

All decisions pertaining to the constitution of the Audit Committee and Shareholders' / Investors' Grievance Committee, appointment of members and fixing of terms of reference for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the year and the related attendance, are provided below :

A. Audit Committee

The Audit Committee consisted of three independent and Non Executive Directors. Mr. Inder Chand Jain, Member of the Audit Committee has resigned from the Board of Directors of the Company. The Board in their meeting held on 10.02.2011 has accepted the same and re – constituted the Committee by appointing Mr. Sanjiv Saraf, Executive Director, in place of Mr. Inder Chand Jain. The Committee met five times during the year, viz. 14.05.2010, 09.08.2010, 24.09.2010, 12.11.2010 and 09.02.2011.



The composition and categories of the members of the Audit Committee and their attendance 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; Independent, Non-Executive Director	5
Mr. Inder Chand Jain (Resigned w.e.f. 10.02.2011)	Member; Independent, Non-Executive Director	0
Mr. Harshavardhan Neotia	Member; Independent, Non-Executive Director	5
Mr. Sanjiv Saraf (Appointed w.e.f. 11.02.2011)	Member; Executive Director	-

Mrs. Sunnoo Bahri, Dy. Company Secretary is the Secretary of the Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting.

Brief description of the terms of reference of the Audit Committee includes the following :

1. 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.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions (as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India);
 - (g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statements of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statements 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
8. 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.
9. Discussion with internal auditors any significant findings in the process of audit and follow up there on.
10. 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.
11. 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.



12. 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.

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

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

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

Related party transaction (whether or not in normal course of business and transactions not at arms 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 utilised for purpose other than those specified in the notice or offer document.

The role of Audit Committee includes recommending the appointment and removal of internal and statutory auditors, discussion of audit plan, fixation of fees for audit and other services.

B. Remuneration Committee :

The Board of Directors of the Company at its meeting held on the 3rd Day of March, 2011 has constituted a Remuneration Committee, consisting of three directors, all of whom are independent, non – executive directors. Members of the Committee are :

- i. Mr. Sanjay Kumar Gupta, Chairman; Independent, Non – Executive Director.
- ii. Mr. Harshavardhan Neotia, Member; Non – Executive Director.
- iii. Mr. Gouri Prasad Goenka, Member; Non – Executive Director.

The role of the Committee shall include determining the Company's policy on specific remuneration package for Executive Directors and other Managerial Personnel, on behalf of the Board of Directors of the Company.

C. Shareholders' / Investors' Grievance Committee

The Shareholders' / Investors' Grievance Committee deals with various matters relating to :

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

The Committee met Four (4) times during the year, viz. 15.05.2010, 12.08.2010, 15.11.2010 and 10.02.2011.

The composition and categories of the members of the Shareholders / Investors Grievance Committee and their attendance record at the Committee Meetings held during the Year is given below :

Names of Director	Category	No. of Committee Meetings attended
Mrs. Pankaja Kumari Singh	Chairperson; Promoter & Non-Executive Director	4
Mr. Amar Singh	Member; Promoter & Executive Chairman	4
Mr. Sanjiv Saraf	Member; Executive Director	4

Compliance Officer : Mrs. Sunnoo Bahri, Dy. 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 01.04.2010 to 31.03.2011			
Pending as on 01.04.2010	Received	Redressed	Pending as on 31.03.2011
Nil	02	02	Nil



SUBSIDIARY COMPANY

The Company is holding 100% equity shares in the following Companies :

1. Ayyappa Hydro Power Limited (AHPL), an unlisted company
2. EDCL Power Projects Limited, an unlisted company
3. EDCL (Europe) Limited, Foreign Company
4. EDCL – Seppa Beyong Hydro Electric Private Limited
5. EDCL – Seppa Kawa Power Private Limited
6. EDCL – Tawang Lower Tsachu Hydro Electric Private Limited
7. EDCL – Tawang Upper Tsachu Hydro Electric Private Limited
8. EDCL – Seppa Nire Hydro Electric Private Limited
9. EDCL – Seppa Jung Power Private Limited
10. EDCL – Tawang Power Private Limited
11. EDCL – Seppa Pachuk Power Private Limited
12. EDCL – Seppa Dunkho Hydro Electric Private Limited
13. EDCL – Seppa Lada Hydro Electric Private Limited
14. EDCL – Seppa Rieng Power Private Limited
15. EDCL – Seppa Marjingla Hydro Electric Private Limited
16. EDCL – Arunachal Projects Private Limited
17. Eastern Ramganga Valley Hydel Projects Co. Private Limited
18. Sarju Valley Hydel Projects Co. Private Limited

The abovementioned companies are non – listed and as per Clause 49 of the Listing Agreement these are not material companies.

GENERAL BODY MEETINGS

1. Location, date and time of the Annual General Meetings held during the preceding 3 years and the special resolutions passed thereat are as follows :

Year	Location	Date and time	Special Resolutions Passed
2008	Harangi Hydroelectric Project, Vill. – Hulugunda, Taluka - Somawarpet, Dist. – Kodagu, Karnataka – 571 233	16.08.2008 at 2:30 P. M.	Voluntary Delisting of the Company's Equity Shares from the Bangalore Stock Exchange and The Calcutta Stock Exchange Association Limited.
2009	Harangi Hydroelectric Project, Vill. – Hulugunda, Taluka - Somawarpet, Dist. – Kodagu, Karnataka – 571 233	16.09.2009 at 12:30 P. M.	Alteration of Objects Clause of the Memorandum of Association of the Company.
2010	Harangi Hydroelectric Project, Vill. – Hulugunda, Taluka - Somawarpet, Dist. – Kodagu, Karnataka – 571 233	13.12.2010 at 3:00 P. M.	-

2. Location, date and time of the Extra Ordinary General Meeting

Year	Location	Date and time	Special Resolutions Passed
2010	Harangi Hydroelectric Project, Vill. – Hulugunda, Taluka - Somawarpet, Dist. – Kodagu, Karnataka – 571 233	11.06.2010 at 3:00 P. M.	Approval of Scheme of Arrangement between the Energy Development Company Limited and EDCL Power Projects Limited and Dhanashree Projects Limited.



3. Postal Ballot: no special resolution through postal ballot has been passed during the last year.

DISCLOSURES

Related Party Transactions

During the year under review, the Company has not entered into any transaction of material nature with its Promoter, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with interest of the Company at large. However, all related party transactions including those with subsidiary companies are disclosed through notes to the accounts.

Accounting Treatment

The financial statements of the company are prepared in accordance with the provisions of the Companies Act, 1956 and the Accounting Standards issued by the Institute of Chartered Accountants of India.

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.

MEANS OF COMMUNICATION

(a) Quarterly Results :

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

(b) Newspapers:

As per clause 41 of the Listing Agreement the Un audited Quarterly Results, for the quarter ended on 30.06.2010, 30.09.2010, 31.12.2010 and 31.03.2011 were published in the following newspapers:-

The Business Standard – Bangalore and Mumbai

Hosadigantha - (Kannada daily)-Bangalore

(c) Website where results are displayed

Full version of annual report including the balance sheet, profit and loss account, directors' report, corporate governance report and 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

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

Compliance Officer : Mrs. Sunnoo Bahri, Dy. Company Secretary of the Company is the compliance officer and she is responsible for updating above mentioned information with the requisite authorities and the website of the Company.

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

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, interalia, dealing with the review of financial statement and cash flow statement for the year ended on 31st March, 2011, 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.

GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

The Annual general Meeting of the Company will be held on Tuesday, the 13th day of September, 2011 at Harangi Hydroelectric Project, Village – Hulugunda, Taluka – Somawarpet, Dist. – Kodagu, Karnataka – 571 233 at 11:30 A. M.



- b. **Financial Year:** From 1st April to 31st March.
c. **Book Closure Period :** 8th September, 2011 to 13th September, 2011
d. **Dividend Payment date :** 13th September, 2011
e. **The Company's shares are listed in the following stock exchanges :**

1. BOMBAY STOCK EXCHANGE LTD.
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 2011 - 2012 has been paid to the above Stock Exchanges.

f. **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 paid custodial fees for the year 2011 – 2012 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, 2011.

g. **The Stock Code of the Company with the Stock Exchanges are as under :**

STOCK EXCHANGE	CODE
Bombay Stock Exchange	532219
National Stock Exchange	ENERGYDEV

h. **Demat ISIN Number :** INE306C01019

i. **Market Price Data :** The details of trading at Bombay Stock Exchange Limited and National Stock Exchange of India Limited, for the period from 01.04.2010 to 31.03.2011 are shown below :

MONTH	BSE SHARE PRICE		NSE SHARE PRICE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April' 2010	77.85	55.00	77.70	55.00
May' 2010	65.00	43.00	65.45	42.65
June' 2010	48.50	41.25	47.40	41.00
July' 2010	50.85	45.00	50.75	45.25
August' 2010	47.85	39.10	47.75	39.00
September' 2010	76.35	39.40	76.15	38.25
October' 2010	81.25	65.15	81.25	65.10
November' 2010	71.60	46.60	71.00	46.85
December' 2010	57.35	43.05	57.45	43.85
January' 2011	53.70	38.00	53.70	38.05
February' 2011	43.00	29.00	42.90	28.10
March' 2011	48.80	31.55	48.70	32.10

As on 31st March, 2011, Shares of the Company were traded at ₹ 40.80 (in NSE) and ₹ 40.90 (in BSE).

j. **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



k. **Exclusive E-mail ID for redressal of investor complaints :**

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

E-mail : edclcal@edclgroup.com; edclcal@airtelmail.in

l. **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.

m. **Distribution of Shareholding as on 31.03.2011 is as under :**

Shareholding Range No of Shares	Number of Shareholders	% of Shareholders	Number of Shares	% of Shareholding
Upto – 500	8440	89.9595	10,47,343	3.8085
501 – 1,000	495	5.2761	4,06,340	1.4776
1,001 – 5,000	344	3.6666	7,61,456	2.7689
5,001 – 10,000	49	0.5223	3,87,406	1.4087
10,001 – 50,000	34	0.3624	7,83,366	2.8486
50,001 – 1,00,000	4	0.0426	2,95,106	1.0731
1,00,001 and above	16	0.1705	2,38,18,983	86.6145
TOTAL	9318	100.0000	2,75,00,000	100.0000

n. **Shareholding as on 31.03.2011 :**

Category	No. of Shares held	% of holding
Promoters	1,54,99,475	56.36
Financial Institutions, Insurance Co, Banks etc.	0	0
Private Corporate Bodies	82,33,590	29.94
Indian Public	35,45,407	12.89
Others	2,21,528	0.81
TOTAL	2,75,00,000	100.00

o. **Dematerialization of Shares and Liquidity :**

The Shares of the Company has been dematerialised with NSDL and CDSL. As on 31.03.2011 2,51,67,141 shares (91.52%) has been dematerialized with NSDL and 22,89,293 shares (8.32%) with CDSL.

p. **Outstanding GDRs / ADRs / Warrants or any Convertible instruments :**

During the financial year ended on 31.03.2011 the Company has not issued any GDR / ADR / Warrants or Convertible instruments. Also as on 31.03.2011 there were no GDR/ ADR/ Warrant or convertible instruments were outstanding against the Company.

q. **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.

r. **Address for Correspondence :**

Mrs. Sunnoo Bahri

Deputy Company Secretary

EDCL HOUSE, 1A, Elgin Road, Kolkata - 700020.



DECLARATION

To
The Members of
Energy Development Company Limited

Sub : Declaration under clause 49 of the Listing Agreement

I hereby declare that all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with their respective Codes for the financial year ended 31st March, 2011.

For **Energy Development Company Limited**

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

Kolkata, 25th July, 2011

To
The Members of
Energy Development Company Limited

Re: Financial Statements for the year ended on 31st March, 2011 – Certification by Executive Director and DGM (Commercial)

We, Sanjiv Saraf, Executive Director and Nathmal Modi, DGM (Commercial) of Energy Development Company Limited, to the best of our knowledge and belief, certify that :

1. We have reviewed the financial statements and the cash flow statement for the year ended on 31.03.2011 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) 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.
2. 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;
3. 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.
4. We have indicated to the Auditors and the Audit Committee :
 - a) significant changes in the internal control over financial reporting during the year under review;
 - b) 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
 - c) 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**

Sd/- **Nathmal Modi** Sd/- **Sanjiv Saraf**
DGM (Commercial) (Executive Director)

Dated this 25th day of July, 2011



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 the conditions of Corporate Governance by Energy Development Company Limited, for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.
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 the 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 the 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, the company has complied 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 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. S. Jha**
Partner
Membership No. 55854

Place : Kolkata
Dated : 25th July, 2011



MANAGEMENT DISCUSSION & ANALYSIS REPORT

FOR THE FINANCIAL YEAR 2010-2011

A. INDUSTRY STRUCTURE AND DEVELOPMENT

Electricity is one of the most important inputs for economic growth and human development. There is a strong two-way relationship between economic development and energy consumption. In the recent years, India's energy consumption has been increasing at one of the fastest rates in the world due to population growth and economic development. In spite of increasing demand, over 40 percent of India's population does not have access to electricity and providing electricity for 24 hours in rural areas is a major challenge. For this the Indian Government has envisioned several paths for its energy requirements, from renewable to nuclear. One of this programmes is 'power for all by 2012'.

By the end of June, 2011, the total installed capacity in India is 1,76,990.40 Mega Watts (MW), out of which thermal occupies 1,15,649.48 MW (65.34%), hydro 38,106.40 MW (21.53%), nuclear 4,780 MW (2.7%) and renewable 18,454.52 MW (10.43%). Out of the total thermal mix, coal produces 96,743.38 MW (83.65%), gas produces 17,706.35 MW (15.31%) and oil produces a mere 1,199.75 MW (1.04%). In comparison with other countries like Canada (17,179 kWh), USA (13,338 kWh), Australia (11,126 kWh), Japan (8,076 kWh), France (7,689 kWh), Germany (7,030 kWh), United Kingdom (6,206 kWh), Russia (5,642 kWh) and Italy (5,644 kWh), India's per capita electricity consumption is very low at 612 kWh at present. The National Electricity Policy envisages that the per capita availability of electricity will be increased to over 1,000 kWh by 2012. To achieve this, the Government has set target of total capacity addition of 78,700 MW in the 11th plan period of which 16,583 MW is expected from hydro, 58,734 MW from thermal and 3,384 MW from nuclear. Although India has significant potential for generation of power from non-conventional energy sources (183,000 MW) such as wind, small hydro, biomass and solar energy, the emphasis is still going to thermal energy sources. India has at present a 9.9% overall electrical energy shortage and 11.1% peaking shortage.

Hydro-power is recognized as a renewable source of energy, which is economical, non – polluting and environmentally benign. India is blessed with the huge hydro power potential which is estimated to be about 1,50,000 – 1,75,000 MW.

An estimated potential of about 15,000 MW of small hydropower (SHP) projects exists in India. 4554 potential sites with an aggregate capacity of 11,356 MW for projects up to 25 MW capacities have been identified. In the last 10-12 years, the capacity of Small hydropower projects up to 3 MW has increased 4 fold from 63 MW to 240 MW. 420 small hydropower projects up to 25 MW station capacity with an aggregate capacity of over 1,423 MW have been set up in the country and over 187 projects in this range with aggregate capacity of 521 MW are under construction.

Source: <http://www.powermin.nic.in/>, <http://www.inshp.org/>

B. OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Opportunities

The Union Ministry of Power has initiated a number of measures to accelerate capacity addition from hydro-electric projects. These include :

- Higher budgetary allocation for the hydro sector
- Investment approval of new hydro-electric projects
- Identification of new projects in the central Sector for advance action
- Promoting state Sector projects which were languishing or could not progress due to Inter-State disputes
- Simplification of procedure for transfer of projects
- Improving tariff dispensation for hydel projects
- Carbon Credit

With the economic liberalisation, the Indian Government also opened up the doors in the year 1991 to private companies for the setting up of private hydropower projects.



The Ministry of New & Renewable Energy Sources (MNER) provides various fiscal and financial incentives like soft loans, capital and interest subsidy, accelerated depreciation and nil / concessional rate of excise and custom duties for setting up of SHP projects. Recently, Generation Based Incentives have also been introduced for Wind Power.

India's vast hydropower potential can contribute to the country's energy security in an environmentally sustainable and socially responsible manner. The future of hydro power in India is bright. Small and mini hydro projects have the potential to provide energy in remote and hilly areas, where extension of grid system is un-economical. Realizing this fact, Government of India is encouraging development of small and mini hydro power projects in the country. Your Company is presently focused on development of Small Hydro Power Projects, besides Wind Mills and infrastructure related contracts.

Threats, Risks and Concerns

Any infrastructure development inevitably involves a certain degree of change. The construction of a dam and power plant, along with the impounding of a reservoir, creates certain social and physical changes. Difficult ethical issues, e.g. the rights of nation to develop viz. a viz. the rights of people and communities affected by a project, are also likely to arise.

The major constraints which have affected hydro development are technical (difficult investigation, inadequacies in tunneling methods), financial (deficiencies in providing long term financing), tariff related issues and managerial weaknesses (poor contract management), land acquisitions (availability, obtaining of environmental and other clearances), manpower (shortage of talent in construction sector). The hydro projects are also affected by geological surprises (especially in the Himalayan region where underground tunneling is required), long gestation period from preparation to implementation of the project, inaccessibility of the area, problems due to delay in land acquisition, getting environment clearance, placing orders for execution of the project and resettlement of project affected families, law and order problem in militant infested areas etc.

C. SEGMENT-WISE OR PRODUCTWISE PERFORMANCE

The Company has demonstrated modest growth in overall business. It has commissioned new projects and acquired subsidiaries, as detailed in the Directors' Report. The total turnover for the year was Rs. 47.01 Crores (Previous Yr. – Rs. 31.58 Crores). The Company has two segments, namely Generation Division and Contract Division.

Generation Division

During the financial year 2010 – 2011 the total revenue generated from this division was 12.51 Crores (Previous year Rs. 12.15 Crores). The Company owns two Hydro Electric Power Plants and two Wind Mills as follows, besides subsidiary companies which also own and operate hydro power projects.

I. Hydro Electric Power Projects

9 MW Harangi Hydro Electric Power Project in the State of Karnataka.

6 MW Harangi Hydro Electric Power Project in the State of Karnataka.

II. Wind Mills

1. 1.5 MW Wind Mill at Hassan District in the State of Karnataka.

2. 1.5 MW Wind Mill at Chitradurga in the State of Karnataka.

Saleable electricity generated from

(a) Hydel Power Plants were 25.88 million units (Previous Yr. – 27.38 million units).

(b) Wind Mills were 5.89 million units (Previous Yr. – 5.82 million units).

The Company also owns and operate 7 MW Ullankal Hydro Electric Power Project, through its subsidiary, EDCL Power Projects Limited and produced 24.38 million units (Previous Yr. – 19.92 million units).

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**

In view of the huge spending in infrastructure in the country, your Company is targeting the growth by participating in the infrastructure related projects such as roads, power plants, bridges, consultancy services etc. by using the capabilities developed in house, over the years. Hence, the Contract Division was launched, which is steadily growing. This division has earned revenue of Rs. 34.49 crores (Previous Year Rs. 19.42 crores).

D. OUTLOOK

The Company's thrust area of operation is infrastructure development, whether as contractor or developer. Your Company has received various contracts during the financial year commencing from 01.04.2010 to 31.03.2011 worth of Rs.113 Crores (approx) and has undertaken major expansion programme for setting up various Hydro Electric Projects in the State of Arunachal Pradesh and Uttarakhand, details of which are given 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, namely, M/s. SRB & Associates to carry out internal audit of the Company's activities at corporate office as well as the project sites and at the registered office respectively. 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 Rs. 7.94 Crores (Previous year- Rs. 13.99 Crores). The detailed performance is given in the Financial Statements.

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. There were inductions of technical and commercial staff, at middle management and support staff levels. As on 31st March, 2011, the Company had employed 82 persons.

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.

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 do not assume any responsibility on the accuracy of statements relating to industry structure and development, as it has been sourced from various available Web – sites.



AUDITORS' REPORT TO THE MEMBERS OF ENERGY DEVELOPMENT COMPANY LIMITED

We have audited the attached Balance Sheet as at 31st March, 2011 and the Profit and Loss Account along with the Cash Flow Statement for the year ended on that date of **Energy Development Company Limited**. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 ("the Order") issued by the Central Government in exercise of the powers conferred by Section 227(4A) of the Companies Act, 1956, ("the Act") and according to the information and explanations given to us and on the basis of such checks as we considered appropriate, we report that :
 - 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 business. No material discrepancies in respect of the assets verified during the year were noticed.
 - (c) The Company has not disposed off any substantial part of the fixed assets during the year.
 - ii)
 - (a) The inventory has been physically verified during the year by the management at reasonable intervals.
 - (b) The procedure 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)
 - (a) According to information and explanations given to us the company has given unsecured loans to four companies listed in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs.661,933,713 and the year-end balance of such loans was Rs. 291,828,213.
 - (b) In our opinion, the rate of interest and other terms and conditions on which the unsecured loans as mentioned in (a) above were prima facie not prejudicial to the interest of the Company.
 - (c) According to the information and explanations given to us, the principal amount and interest in respect of loan granted as mentioned in (a) above are repayable on demand. These loans are being repaid as and when recalled.
 - (d) 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.
 - (e) According to the information and explanations given to us, the company had taken unsecured loan from two companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs.229,950,000 and the year-end balance was Rs.229,850,000.
 - (f) In our opinion, the rate of interest and other terms and conditions of such loan are not prima facie prejudicial to the interest of the Company.



- (g) According to the information and explanations given to us, the company has been regular in repayment of the principal amount and interest thereon as applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures 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. During the course of our audit, we have not observed any continuing failure to correct weaknesses in the internal controls.
- v) (a) According to the information and explanations provided by the management, particulars of the contracts or arrangement referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register maintained under Section 301 of the Act and exceeding five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposits from the public under Section 58A, 58AA or any other relevant provision of the Act and the rules framed there under.
- vii) Internal audit of the Company has been carried out by firms of Chartered Accountants. In our opinion the internal audit system in respect of the areas covered during the year is commensurate with the size and nature of the business of the Company.
- viii) We have broadly reviewed the cost records and accounts prescribed by the Central Government under section 209(1) (d) 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.
- ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, 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 became payable.
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess that have not been deposited with the appropriate authorities on account of any dispute.
- x) 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.
- xi) 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.
- xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.



- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) According to the information and explanations given to us, the Company has not availed fresh term loans during the current financial year.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet, keeping in view that the unsecured loan taken by the Company and unsecured loan given to subsidiaries are related to long term capital projects and these will be repaid/refunded on long term basis, no short-term funds have been utilized for the long term investment during the year.
- xviii) The Company has not made preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable to the Company.
- xix) The Company has not issued any debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
- xx) The Company has not raised money by public issue during the year.
- xxi) During the course of our examination of the books of account carried out in accordance with 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.
2. Further to the above, we report that :
- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) The Balance Sheet, the Profit and Loss Account and the Cash Flow statement are in agreement with the books of account;
- iii) Proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books of account;
- iv) In our opinion, the Profit and Loss Account and the Balance Sheet of the Company comply with the accounting standards referred to in Sub-Section 3(C) of Section 211 of the Act;
- v) On the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March, 2011 from being appointed as a director in terms of Clause (g) of Sub-section (1) of Section 274 of the Act;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Act in the manner so required and read together with the other notes thereon, give a true and fair view :
- (a) in case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- (b) in case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
- (c) in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **Lodha & Co.**
Chartered Accountants
Firm ICAI Registration No: 301051E
Sd/- **H. S. Jha**
Partner
Membership No. : 55854

Place: Kolkata
Date : 25th July, 2011



BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule No.	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	275,000,000	275,000,000
Reserves & Surplus	2	973,320,337	934,666,969
LOAN FUNDS			
Secured Loans	3	–	99,148,077
Unsecured Loans	4	683,379,880	468,200,000
DEFERRED TAX LIABILITY (NET) (Refer Note 9 of Schedule 17)		46,414,331	50,137,823
TOTAL		1,978,114,548	1,827,152,868
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	940,814,755	698,804,223
Less : Depreciation		294,851,806	253,047,314
Net Block		645,962,949	445,756,909
Capital Work-in-Progress		–	686,910,558
INVESTMENTS	6	166,817,545	133,924,884
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	22,041,140	11,965,284
Sundry Debtors	8	93,938,854	273,103,782
Cash and Bank Balances	9	52,939,875	98,433,412
Loans & Advances	10	1,291,602,532	594,122,793
Other Current Assets	10A	50,292	44,141
		1,460,572,693	977,669,412
LESS : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	11	190,948,008	325,075,282
Provisions	12	104,290,631	92,033,613
		295,238,638	417,108,895
NET CURRENT ASSETS		1,165,334,055	560,560,517
TOTAL		1,978,114,548	1,827,152,868

Significant Accounting Policies & Notes to the Accounts 17

The Schedules referred to herein above form an integral part of the Balance Sheet.

Place : Kolkata
Dated : 25th July, 2011

As per our report of even date
For **Lodha & Co.**
Chartered Accountants
Sd/- **H. S. Jha**
Partner

For and on Behalf of the Board of Directors
Sd/- **Amar Singh**, Chairman
Sd/- **Sanjiv Saraf**, Executive Director
Sd/- **Gouri Prasad Goenka**, Director
Sd/- **Sanjay Kumar Gupta**, Director
Sd/- **Sunoo Bahri**, Dy. Company Secretary



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Year ended 31st March 2011 Rs.	Year ended 31st March 2010 Rs.
INCOME			
Sales/Income from Operations		470,159,899	315,831,677
Other Income	13	47,982,478	78,229,650
Increase / (Decrease) in Stock	14	10,644,653	5,967,818
		<u>528,787,031</u>	<u>400,029,145</u>
EXPENDITURE			
Cost of Materials		285,707,763	146,450,141
Operating, Administrative & Other Expenses	15	116,751,069	74,864,576
		<u>402,458,833</u>	<u>221,314,717</u>
Profit before interest, depreciation & tax		126,328,197	178,714,427
Interest & Finance Charges	16	5,122,333	4,901,260
Profit before depreciation & tax		121,205,865	173,813,168
Depreciation	5	41,804,491	33,826,767
Profit before tax		79,401,373	139,986,401
Provision for tax			
- Current Income Tax		15,812,360	23,771,563
- Income tax for earlier years		(3,302,051)	44,476
- Deferred Tax (Refer Note 9 of Schedule 17)		(3,723,492)	2,101,953
		<u>8,786,817</u>	<u>25,917,992</u>
Profit after tax		70,614,556	114,068,409
Profit Brought Forward From Previous Year		459,501,624	377,606,840
Profit Available For Appropriation		530,116,180	491,675,249
Appropriations			
Proposed Dividend		27,500,000	27,500,000
Tax on Proposed Dividend		4,461,188	46,73,625
Balance Carried to Balance Sheet		498,154,993	459,501,624
		<u>530,116,180</u>	<u>491,675,249</u>
Earning Per Share (Refer Note 15 of Schedule 17)			
- Basic		2.57	4.15
- Diluted		2.57	4.15

Significant Accounting Policies & Notes to the Accounts 17

The Schedules referred to herein above form an integral part of the Profit & Loss Account.

Place : Kolkata
Dated : 25th July, 2011

As per our report of even date
For **Lodha & Co.**
Chartered Accountants
Sd/- **H. S. Jha**
Partner

For and on Behalf of the Board of Directors
Sd/- **Amar Singh**, Chairman
Sd/- **Sanjiv Saraf**, Executive Director
Sd/- **Gouri Prasad Goenka**, Director
Sd/- **Sanjay Kumar Gupta**, Director
Sd/- **Sunnoo Bahri**, Dy. Company Secretary



SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
35,000,000 (35,000,000) Equity shares of Rs. 10/- each	<u>350,000,000</u>	<u>350,000,000</u>
Issued, Subscribed & Paid-up		
27,500,000 (27,500,000) Equity shares of Rs. 10/- each	<u>275,000,000</u>	<u>275,000,000</u>
	<u>275,000,000</u>	<u>275,000,000</u>
SCHEDULE 2		
RESERVES & SURPLUS		
Capital Reserve on Amalgamation (Refer Note 4 of Sechedule 17)	1,165,345	1,165,345
Capital Reserve	124,000,000	124,000,000
Securities Premium	350,000,000	350,000,000
Surplus in Profit & Loss Account	498,154,993	459,501,624
	<u>973,320,337</u>	<u>934,666,969</u>
SCHEDULE 3		
SECURED LOANS		
Cash Credit from Bank (Secured by hypothecation of entire stocks and other movables of the company including all movable Plants & Machineries, Furniture & Fixtures, Vehicles, Computers and other accessories, etc. stored or to be stored at the premises/godowns of the companys' 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)	-	99,148,077
	<u>-</u>	<u>99,148,077</u>
SCHEDULE 4		
UNSECURED LOANS		
From Bodies Corporate	670,586,000	468,200,000
Interest Payable	12,793,880	-
	<u>683,379,880</u>	<u>468,200,000</u>



SCHEDULE 5

FIXED ASSETS

Name of the Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Cost as at 01.04.2010	Addition/ Adjustment	Deductions Adjustment	Cost as at 31.03.2011	As at 01.04.2010	During the year	Deductions/ Adjustments	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
(A) Tangible Assets										
Freehold Land	8,699,950	-	-	8,699,950	-	-	-	-	8,699,950	8,699,950
Leasehold Land [Note 1]	-	-	-	-	-	-	-	-	-	-
Office Premises	18,641,250	-	-	18,641,250	3,488,487	757,638	-	4,246,125	14,395,125	15,152,763
Buildings and Roads	14,628,643	93,359,249	-	107,987,892	4,967,173	2,187,816	-	7,154,989	100,832,903	9,661,470
Plant & Machinery	273,025,299	97,963,532	-	370,988,831	131,590,289	15,109,487	-	146,699,776	224,289,055	141,435,010
Hydraulic Works	117,486,445	37,623,583	-	155,110,028	56,312,451	5,899,418	-	62,211,869	92,898,159	61,173,994
Transmission Lines, Transformers, Cable Network, etc [Note 2]	44,197,169	9,268,849	-	53,466,018	21,106,644	2,395,714	-	23,502,358	29,963,660	23,090,525
Office Equipment	5,750,464	514,059	-	6,264,523	1,862,845	1,375,068	-	3,237,913	3,026,610	3,887,619
Furniture and Fixtures	12,270,211	2,984,860	-	15,255,071	1,899,458	2,313,404	-	4,212,862	11,042,209	10,370,753
Motor Vehicle	18,167,437	-	-	18,167,437	11,967,171	1,605,249	-	13,572,420	4,595,017	6,200,266
Windmill [Note 3]	184,767,000	-	-	184,767,000	19,551,645	9,745,618	-	29,297,263	155,469,737	165,215,355
(B) Intangible Assets										
Computer Software	1,170,355	296,400	-	1,466,755	301,153	415,078	-	716,231	750,524	869,202
TOTAL	698,804,223	242,010,532	-	940,814,755	253,047,316	41,804,490	-	294,851,806	645,962,949	445,756,907
Previous Year [Note 4]	684,847,281	15,104,059	1,147,117	698,804,223	220,122,627	33,826,767	902,079	253,047,314	445,756,909	

Note : 1) 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 Rs 72,100/-.

2) 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.

3) Windmill includes Leasehold Land of Rs.3,600,000/- (Previous year Rs.3,600,000/-).

4) Opening Gross Block and opening accumulated depreciation includes Rs. 384,556/- and Rs. 255,218/- respectively in respect of assets acquired pursuant to scheme of amalgamation of Dhanashree Power Projects Limited and is net of Rs. 39,445,452/- and Rs. 642,888/- respectively in respect of assets transferred pursuant to transfer of 7 M.W. Ullankal Hydel Power Project undertaking as given in Note 4 of Schedule 17.



	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
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SCHEDULE 6**INVESTMENTS**

(Other than Trade) (At cost unless otherwise stated)

Long Term**Investment in Shares (Unquoted)****Shares in Subsidiary Company (Unquoted)**

Ayyappa Hydro Power Limited 12,500,000 (12,500,000) Equity Shares of Rs.10/- each fully paid-up	125,000,000	125,000,000
EDCL Power Projects Ltd. 3,750,000 (250,000) Equity Shares of Rs.10/- each fully paid-up	40,000,000	5,000,000
Eastern Ramganga Valley Hydel Projects Co Pvt Ltd. 10,000 Equity Shares of Rs.10/- each fully paid-up	100,000	
EDCL Arunachal Hydro Project Pvt. Ltd. 10,000 Equity Shares of Rs.10/- each fully paid-up	100,000	-
EDCL Seppa Beyong Hydro Electric Pvt. Ltd. 10,000 Equity Shares of Rs.10/- each fully paid-up	100,000	-
EDCL Seppa Dunkho Hydro Electric Pvt. Ltd. 10,000 Equity Shares of Rs.10/- each fully paid-up	100,000	-
EDCL Seppa Jung Power Pvt. Ltd. 10,000 Equity Shares of Rs.10/- each fully paid-up	100,000	-
EDCL Seppa Kawa Power Pvt. Ltd. 10,000 Equity Shares of Rs.10/- each fully paid-up	100,000	-
EDCL Seppa Lada Hydro Electric Pvt. Ltd. 10,000 Equity Shares of Rs.10/- each fully paid-up	100,000	-
EDCL Seppa Marjingla Hydro Electric Pvt. Ltd. 10,000 Equity Shares of Rs.10/- each fully paid-up	100,000	-
EDCL Seppa Nire Hydro Electric Pvt. Ltd. 10,000 Equity Shares of Rs.10/- each fully paid-up	100,000	-
EDCL Seppa Pachuk Power Pvt. Ltd. 10,000 Equity Shares of Rs.10/- each fully paid-up	100,000	-
EDCL Seppa Rianga Power Pvt. Ltd. 10,000 Equity Shares of Rs.10/- each fully paid-up	100,000	-
EDCL Tawang Lower Tsachu Hydro Electric Pvt. Ltd. 10,000 Equity Shares of Rs.10/- each fully paid-up	100,000	-
EDCL Tawang Power Pvt. Ltd. 10,000 Equity Shares of Rs.10/- each fully paid-up	100,000	-
EDCL Tawang Upper Tsachu Hydro Electric Pvt. Ltd. 10,000 Equity Shares of Rs.10/- each fully paid-up	100,000	-
Sarju Valley Hydel Projects Co Pvt Ltd. 10,000 Equity Shares of Rs.10/- each fully paid-up	100,000	-
(A)	166,500,000	130,000,000

Investment in Shares (Quoted)

Tycoon Trades & Investments Ltd. (324,760 equity shares of Rs.10/- each fully paid up)	-	649,520
Vas Aimation Ltd. (1000 equity shares of Rs. 10/- each fully paid up)	89,004	89,004
(B)	89,004	738,524

Bharti Airtel Ltd. (*) (352 equity shares of Rs. 5/- each fully paid up)	-	102,129
HDFC Ltd. (*) (117 equity shares of Rs. 10/- each fully paid up)	-	77,659
HDFC Bank Ltd. (*) (87 equity shares of Rs. 10/- each fully paid up)	-	231,931
Hindustan Petroleum Corporation Ltd. (*) (551 equity shares of Rs. 10/- each fully paid up)	-	145,387
ITC Ltd. (*) (754 equity shares of Rs. 1/- each fully paid up)	-	132,821
Indoco Remedies Ltd. (*) (308 equity shares of Rs. 10/- each fully paid up)	-	123,339
Indian Oil Corporation Limited (*) (406 equity shares of Rs. 10/- each fully paid up)	-	86,271
KEC International Ltd. (*) (225 equity shares of Rs. 10/- each fully paid up)	-	164,738
Mphasis Ltd (*) (100 equity shares of Rs. 10/- each fully paid up)	-	16,846
ONGC Ltd. (*) (142 equity shares of Rs. 10/- each fully paid up)	-	94,103
Rural Electrification Corporation Ltd. (*) (906 equity shares of Rs. 10/- each fully paid up)	-	61,101
Reliance Industries Ltd. (*) (374 equity shares of Rs. 10/- each fully paid up)	-	317,250
Sai Rayalaseema Paper Mills Ltd. (*) (18810 equity shares of Rs. 10/- each fully paid up) (**)	228,542	228,542
United Phosphorous Ltd. (*) (468 equity shares of Rs. 2/- each fully paid up)	-	43,317
Zensar Technologies Ltd. (*) (556 equity shares of Rs. 10/- each fully paid up)	-	167,200
(C)	228,542	1,992,634

Investments in Mutual Fund (Quoted)

HDFC CMS Divd. Plus (*)	-	10,993
Reliance Liquid Fund (*)	-	1,182,733
(D)	-	1,193,726

Total (A+B+C+D)	166,817,546	133,924,884
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Aggregate market value of quoted investments	74,400	44,864,696
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(*) Investments through Portfolio Management Services (PMS) Investments made during the year and sold within the year under PMS have not been disclosed separately.

(**) Not yet listed



	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE 7		
INVENTORIES		
(As taken, valued and certified by the management)		
Contract Work-in-progress	16,612,471	5,967,818
Stores, Spares and Consumables	5,428,669	5,997,466
	<u>22,041,140</u>	<u>11,965,284</u>
SCHEDULE 8		
SUNDRY DEBTORS		
(Unsecured - Considered Good unless otherwise stated)		
Outstanding for a period of more than six months	11,025,585	71,786,853
Other Debts	82,913,269	201,316,929
	<u>93,938,854</u>	<u>273,103,782</u>
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash and cheques in hand	811,497	402,724
Balance with Scheduled Banks		
- on Current Accounts	14,311,017	63,627,953
- on Cash Credit Account	1,794,903	-
- on Unpaid Dividend Account	348,458	228,735
- on Margin Money Accounts (under lien)	35,674,000	34,174,000
	<u>52,939,875</u>	<u>98,433,412</u>
SCHEDULE 10		
LOANS AND ADVANCES		
(Unsecured and considered good unless otherwise stated)		
Advance against Equity to Subsidiaries	-	75,000,000
Loan to Subsidiary	1,131,749,890	360,000,000
Advance (recoverable in cash or in kind or for value to be received) (*)	87,382,084	104,407,593
Security Deposits	1,458,712	1,160,199
Advance Income Tax including Tax deducted at Source	69,307,883	51,833,438
Advance Fringe Benefit Tax	1,703,963	1,721,563
	<u>1,291,602,532</u>	<u>594,122,793</u>
(*) Includes Rs. 67,925/- (Previous Year Rs. 8,647,520/-) amount receivable from Subsidiary Company.		
SCHEDULE 10A		
OTHER CURRENT ASSETS		
Interest Receivable	50,292	44,141
	<u>50,292</u>	<u>44,141</u>



	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
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SCHEDULE 11**CURRENT LIABILITIES**

Sundry Creditors (Refer Note 8 of Schedule 17)	77,021,209	204,903,029
Advance received from customers	98,261,783	100,000,000
Unclaimed Dividend (*)	348,690	228,967
Other Liabilities (**)	15,316,326	19,943,287
	<u>190,948,008</u>	<u>325,075,283</u>

(*) There is no amount due and outstanding to be credited to Investor Education and Protection Fund

(**) Includes amount payable to Subsidiary Rs. 195,345/- (Previous Year Rs. 11,302,724/-)

SCHEDULE 12**PROVISIONS**

Provision for Income Tax	70,611,617	58,125,064
Provision for Fringe Benefit Tax	1,717,826	1,734,924
Provision for Proposed Dividend	27,500,000	27,500,000
Provision for Dividend Distribution Tax	4,461,188	4,673,625
	<u>104,290,631</u>	<u>92,033,613</u>

SCHEDULE 13**OTHER INCOME**

Profit on Sale of Investments (Refer Note 5 of Schedule 17)	41,524,214	71,167,082
Interest Received (Gross of Tax deducted at source Rs. 5,36,871/- (Previous Year Rs.5,40,627/-))	5,932,909	5,758,247
Dividend on Current Investments	63,873	112,542
Liability no longer required written back	162,340	948,293
Miscellaneous Income	299,143	243,488
	<u>47,982,478</u>	<u>78,229,652</u>

SCHEDULE 14**INCREASE/(DECREASE) IN STOCK**

Opening Stock of Contract Work-in-Progress	59,67,818	-
Less : Closing Stock of Contract Work-in-Progress	1,66,12,471	59,67,818
	<u>1,06,44,653</u>	<u>59,67,818</u>



	Year Ended 31st March 2011 Rs.	Year Ended 31st March 2010 Rs.
SCHEDULE 15		
OPERATING, ADMINISTRATIVE AND OTHER EXPENSES		
Cost of Power Purchased	4,072,358	978,034
Stores and Spares consumed	840,038	942,263
Contract, Consultancy and Service Charges	30,572,003	8,438,985
Rent	7,925,419	5,879,642
Repairs & Maintenance :		
- Plant & Machinery	6,837,665	5,088,077
- Others	1,680,125	1,184,707
Salary & Allowances	32,146,840	20,441,454
Contribution to Provident fund & other funds	432,193	270,132
Staff Welfare Expenses	1,893,510	1,112,764
Insurance	938,214	1,055,900
Rates & Taxes	764,221	1,622,511
Travelling & Conveyance Expenses	10,371,124	6,247,513
Payment to Auditors :		
- Statutory Audit	150,000	150,000
- Tax Audit	50,000	50,000
- Other Services	65,500	35,000
Legal & Professional charges	8,860,936	8,336,110
Security Services	1,592,457	1,015,712
Telephone, Fax, Postal etc.	1,864,312	4,210,570
Loss on Sale of Fixed Assets (Net)	-	99,038
Directors Meeting Fees	65,000	70,000
Irrevocable Balances Written-Off	1,037	173,480
Miscellaneous Expenses	5,628,117	7,462,685
	<u>116,751,069</u>	<u>74,864,576</u>

SCHEDULE 16**INTEREST AND FINANCE CHARGES****Interest Paid**

On Cash-Credit	34,57,409	30,83,421
On Others	16,64,924	18,17,839
	<u>51,22,333</u>	<u>49,01,260</u>



SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS.

1. ACCOUNTING POLICIES1.1 **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, 1956 and accounting standards notified vide Companies (Accounting Standards) Rules, 2006. 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 of acquisition/construction. Cost includes interest and pre-operative expenses as allocated to the fixed assets.

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**

Depreciation on all assets, other than the plant and machinery has been provided on written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

In respect of assets of plant and machinery, depreciation has been provided on Straight Line Method at the rates prescribed under schedule XIV of The Companies Act, 1956.

Assets having value of Rs.5,000/- or less have been written off in the year of acquisition irrespective, of the period of use.

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. The Company provides for diminution in the value of investments, other than temporary in nature.

1.7 **Revenue Recognition**

- a) Sales of electricity generated are accounted for on delivery to the grid.
- b) Revenue in respect of Contract Division from sale of goods is recognized on delivery of the goods and from consultancy and other services are recognized on Proportionate Completion method with reference to the performance of the activities.

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 relating to



the machinery are charged out as consumption, over the effective life of the plant and machinery to which they relate. Erection and maintenance tools are charged out over a period of five years.

Expenses incurred in respect of civil contract, to the extent not billed on customers, is included as work in process.

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 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.

1.10 Employees 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.

In pursuance of Section 80-IA of the Income Tax Act, 1961 the profits earned by various Generation Divisions is not taxable for a period of ten consecutive financial years out of fifteen years from commencement of operations, since those divisions are engaged in generation of electricity. Accordingly, based on the Accounting Standards interpretation on "Accounting for Taxes on Income AS 22", deferred tax accounting in respect of the timing differences arising and/or reversing during the tax holiday period has not been considered.

1.12 Borrowing Cost

Borrowing costs that are attributable to the acquisition / construction 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.

(2) Estimated amount of contracts remaining to be executed on capital account (net of advances) Rs. 489,694,450/- (Previous year Rs. 17,000,000/-).

(3) Capital Work in Progress includes:

- a. Machinery in stock, construction / erection materials, advances for construction/erection works and machinery etc.
- b. Capital advances of Rs Nil. (Previous year Rs. 1,600,000/-)



- c. Pre-operative expenditure incurred during implementation of projects is as given below :

Particulars	As on 31.03.2011	As on 31.03.2010
Balance Brought Forward	130,845,720	15,016,954
Salaries and Allowances	7,024,038	5,244,601
Staff Welfare Expenses	809,989	457,155
Rent	364,675	385,000
Rates and Taxes	4,820,758	55,051
Insurance	5,478	-
Legal and Professional Charges	35,897,180	726,914
Travelling and Conveyance Expenses	16,711,739	6,269,395
Interest on Unsecured Loan	61,999,967	56,456,723
Miscellaneous Expenses	6,315,013	37,014,048
Electricity & Gas Expenses	46,767	59,006
Service Charges	24,053,054	-
Contract Charges	-	9,160,873
Less: Transferred to Fixed Assets (Refer Note 3(d) below)	18,846,432	-
Less: Transferred to Subsidiary Companies (Refer Note 3(e) below)	270,047,946	-
Balance Carried to Balance Sheet	-	130,845,720

- d. The second Power plant at Harangi was commissioned during the year and accordingly pre-operative expenses and balances in Capital Work-in-Progress have been transferred to Fixed Assets.
- e. Fixed Assets (including Capital Work-in Progress) as at 31st March, 2011 included pre-operative/ initial expenses incurred towards various Hydro- Electrical Projects at Arunachal Pradesh which have been transferred to various subsidiary companies as on that date. Accordingly, expenses incurred till date and lying as Capital Work-in Progress have been transferred to the said companies and included in Loans and Advances as these amounts are recoverable from the subsidiaries.
- (4) A scheme of arrangement for amalgamation of Dhanashree Projects Limited (Dhanashree) with the Company and transfer of 7MW Ullankal Hydel Power Project Undertaking (the Undertaking) to EDCL Power Projects Limited (PPL), a wholly owned subsidiary with effect from 1st April 2009 (the appointed date) has been sanctioned by the Honourable High Courts at Bangalore and Calcutta under Section 391 and Section 394 of the Companies Act, 1956 vide their Order dated August 12, 2010 and September 15, 2010 respectively. As per the said scheme, all assets and liabilities pertaining to Dhanashree has been transferred to the Company and those pertaining to the Undertaking has been transferred from the Company at their respective book values with effect from the appointed date. Necessary adjustments in this respect were given effect to in the books of accounts of the Company in previous year. However, the necessary formalities in respect of change in name for immovable properties, investment, bank accounts etc. are in the process of being complied with.
- (5) Income from sale of electricity for the year includes amount received from Chamundeshwari Electricity Supply Company Limited (CHESCOM) on account of excess generation and revision of rates totaling to Rs. 86.07 Lacs as arrear for the period upto 31st March, 2010. Cost of power purchased for the year includes a sum of Rs. 32.56 lacs paid to CHESCOM on account of minimum demand charges for electricity purchased for the period upto 31st March, 2010.
- (6) The shares held in Ayyappa Hydro Power Ltd., a subsidiary was pledged (3,750,000 shares) with the lender of the said subsidiary. Further the Company has given a non – disposable undertaking (8,750,000 shares) to the lender of the said subsidiary.
- (7) The Company has not yet 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.



(8) Related Party disclosures pursuant to Accounting Standard -18 :

(a)	Key Management Personnel and their relative
	Mr. Amar Singh (Chairman and Whole Time Director)
	Mrs. Pankaja Kumari Singh (Wife of the Chairman and Whole Time Director)
	Mr. Sanjiv Saraf (Executive Director)
	Mrs. Indira Saraf (Wife of the Executive Director)
(b)	Subsidiary Company
	Ayyappa Hydro Power Limited
	Eastern Ram Ganga Valley Hydel Projects Company Pvt. Ltd.
	EDCL Power Projects Ltd.
	EDCL Arunachal Hydro Project Pvt. Ltd.
	EDCL Seppa Beyong Hydro Electric Pvt. Ltd.
	EDCL Seppa Nire Hydro Electric Pvt. Ltd.
	EDCL Seppa Dhunko Hydro Electric Pvt. Ltd.
	EDCL Seppa Lada Hydro Electric Pvt. Ltd.
	EDCL Seppa Marjingla Hydro Electric Pvt. Ltd.
	EDCL Seppa Jung Power Pvt. Ltd.
	EDCL Seppa Kawa Power Pvt. Ltd.
	EDCL Seppa Pachuk Power Pvt. Ltd.
	EDCL Seppa Riang Power Pvt. Ltd.
	EDCL Tawang Power Pvt. Ltd.
	EDCL Tawang Lower Tsachu Hydro Electric Pvt. Ltd.
	EDCL Tawang Upper Tsachu Hydro Electric Pvt. Ltd.
	Sarju Valley Hydel Projects Company Pvt. Ltd.
(c)	Associates
	Sarvottam Caps Limited

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

(Rs.)

Name	Transactions during the year			Outstanding as at the year end
	Managerial Remuneration	Rent Paid	Directors Sitting Fees	Security Deposit Given
Mr. Amar Singh	4,800,000 (4,800,000)	360,000 (360,000)	- -	300,000 (300,000)
Mr. Sanjiv Saraf	2,000,000 (2,000,000)	720,000 (720,000)	- -	- -
Mrs. Pankaja Kumari Singh	- -	300,000 (300,000)	15,000 (5000)	300,000 (300,000)
Mrs. Indira Saraf	- -	720,000 (420,000)	- -	- -



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

(Rs.)

Particulars	2010-11	2009-10
Transactions during the year - Income from Operations		
- EDCL Power Projects Ltd.	9,000,000	8,000,000
- Ayyappa Hydro Power Limited	6,000,000	-
Loans & Advances Given		
Ayyappa Hydro Power Limited	214,221,411	39,800,00
EDCL Power Projects Ltd.	5,245,354	395,000,000
Eastern RamGanga Valley Hydel Projects Company Pvt. Ltd.	82,013,612	-
Sarju Valley Hydel Projects Company Pvt. Ltd.	48,993,190	-
EDCL Arunachal Hydro Project Pvt. Ltd.	3,216,981	-
EDCL Seppa Beyong Hydro Electric Pvt. Ltd.	93,376,414	-
EDCL Seppa Nire Hydro Electric Pvt. Ltd.	26,782,795	-
EDCL Seppa Dhunko Hydro Electric Pvt. Ltd.	134,777,774	-
EDCL Seppa Lada Hydro Electric Pvt. Ltd.	86,105,560	-
EDCL Seppa Marjingla Hydro Electric Pvt. Ltd.	131,873,821	-
EDCL Seppa Jung Power Pvt. Ltd.	42,482,695	-
EDCL Seppa Kawa Power Pvt. Ltd.	68,187,539	-
EDCL Seppa Pachuk Power Pvt. Ltd.	182,549,822	-
EDCL Seppa Rieng Power Pvt. Ltd.	35,315,888	-
EDCL Tawang Power Pvt. Ltd.	14,612,659	-
EDCL Tawang Lower Tsachu Hydro Electric Pvt. Ltd.	7,533,642	-
EDCL Tawang Upper Tsachu Hydro Electric Pvt. Ltd.	13,106,087	-
Loans and Advances repaid		
Ayyappa Hydro Power Limited	54,600,000	-
EDCL Power Projects Ltd.	375,152,724	-
Advances Taken		
EDCL Power Projects Ltd.	20,153	-
Outstanding as at the year end - Loans & Advances Given		
Ayyappa Hydro Power Limited	159,621,411	40,000,000
EDCL Power Projects Ltd.	1,395,354	403,647,520
Eastern RamGanga Valley Hydel Projects Company Pvt. Ltd.	82,013,612	-
Sarju Valley Hydel Projects Company Pvt. Ltd.	48,993,190	-
EDCL Arunachal Hydro Project Pvt. Ltd.	3,216,981	-
EDCL Seppa Beyong Hydro Electric Pvt. Ltd.	93,376,414	-
EDCL Seppa Nire Hydro Electric Pvt. Ltd.	26,782,795	-
EDCL Seppa Dhunko Hydro Electric Pvt. Ltd.	134,777,774	-
EDCL Seppa Lada Hydro Electric Pvt. Ltd.	86,105,560	-
EDCL Seppa Marjingla Hydro Electric Pvt. Ltd.	131,873,821	-
EDCL Seppa Jung Power Pvt. Ltd.	42,482,695	-
EDCL Seppa Kawa Power Pvt. Ltd.	68,187,539	-
EDCL Seppa Pachuk Power Pvt. Ltd.	182,549,822	-
EDCL Seppa Rieng Power Pvt. Ltd.	35,315,888	-
EDCL Tawang Power Pvt. Ltd.	14,612,659	-
EDCL Tawang Lower Tsachu Hydro Electric Pvt. Ltd.	7,533,642	-
EDCL Tawang Upper Tsachu Hydro Electric Pvt. Ltd.	13,106,087	-
Advances taken:		
EDCL Power Projects Ltd.	20,153	11,302,724



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

Rs.

Particulars	2010-11	2009-10
Transactions during the year -		
Interest paid	11,625,206	2,584,110
Loan taken (net)	90,000,000	70,000,000
Outstanding balance as at the year end		
Loan	160,000,000	70,000,000
Interest payable	3,751,890	-

Notes :

- In respect of above parties, there is no provision for doubtful debts as on 31st March, 2011 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.
- The details in respect of investments are given in Schedule 6.

9. The break-up of Deferred Tax Assets and Liabilities is as follows :

Particulars	As on 1st April 2010	Charge/(Credit) during the year	As on 31st March 2011
Deferred Tax Assets			
Expenses allowable on payment basis	423,837	(1,203,448)	(1,627,285)
Deferred Tax Liabilities			
Depreciation Difference	50,561,660	(2,520,044)	48,041,617
Deferred Tax Liabilities (Net)	50,137,823	(3,723,492)	46,414,331

10. (a) Details in respect of Generating Capacity

Particulars	31st March, 2011	31st March, 2010
The derated installed capacity*:		
- of the hydel power plants	15 M.W	9 M.W
- of the wind turbine generators	3 M.W	3 M.W
Total number of the units generated and sold (In million units)*		
- From the hydel power plants	25.88	27.38
- From wind turbine generators	5.89	5.82

* This being a technical matter has been taken as certified by the management and has not been verified by the auditors.

- Units generated and sold includes 1.09 million units from 6 MW Harangi stage II project which was commissioned on 30th August, 2010.
- Units purchased for operations of plant 1,02,548 units.
- Details in respect of goods purchased and sold :

The company purchases and sales various items primarily required in electrical projects and as these materials are denominated in different units quantitative details as required by certain clauses of Paragraph 3, 4C and 4D of the Part II of Schedule VI of the Companies Act 1956 has not been provided.



- (e) Value of consumption of stores and spare parts :
- The entire consumption is out of indigenous supplies.
 - Consumption as above includes Rs 309,064/- (Previous year Rs 309,064/-) on account of amortisation of spares.
 - 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.

11. 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	Rs 106,684/- (Previous year Rs. 80,552/-)
Employer's Contribution to Pension Fund	Rs 251,260/- (Previous year Rs. 182,465/-)

(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.

(Rs.in Lacs)

Particulars	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)
	31.03.2011	31.03.2011	31.03.2010	31.03.2010
Expenses Recognized in the Profit & Loss Account				
1. Current Service Cost	13.79	5.83	5.22	4.90
2. Interest Cost	2.02	1.72	1.70	1.38
3. Expected return on plan assets	(2.66)	0.00	(1.80)	0.00
4. Actuarial Losses / (Gains)	11.45	7.95	(6.51)	(6.61)
Total Expenses	24.60	15.50	(1.39)	(0.33)
Change in the obligation during the year				
Present value of Defined Benefit Obligation at the beginning of the year	21.10	16.76	21.51	17.29
1. Acquisition	3.62	4.08	-	-
2. Current Service Cost	13.79	5.83	5.22	4.90
3. Interest Cost	2.02	1.72	1.70	1.38
4. Benefit Paid	(0.68)	(0.21)	(0.46)	(0.20)
5. Actuarial (Gains) / Losses	11.13	7.95	(6.87)	(6.61)
Present value of Defined Benefit Obligation at the end of the year	50.98	36.13	21.10	16.76
Change in Assets during the year ended March 31, 2011				
Plan Assets at the beginning of the year	25.40	0.00	16.09	0.00
1. Contribution by Employer	9.01	0.21	8.33	0.20
2. Expected return on plan assets	2.66	0.00	1.80	0.00
3. Benefit Paid	(0.68)	(0.21)	(0.46)	(0.20)
4. Actuarial Gains / (Losses)	(0.32)	0.00	(0.36)	0.00
Plan Assets at the end of the year	36.07	0.00	25.40	0.00



Particulars	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)
	31.03.2011	31.03.2011	31.03.2010	31.03.2010
Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the year ended March 31, 2011				
Net Asset / (Liability) at beginning of the year	(5.42)	(17.29)	(0.40)	(10.05)
1. Acquisition	(3.62)	(4.08)	-	-
2. Employer Expenses	(24.60)	(15.50)	1.39	0.33
3. Employer Contributions	9.01	0.21	8.33	0.20
Net Asset / (Liability) at the end of the year	(14.91)	(36.13)	4.30	(16.76)
Actuarial Assumptions				
1. Discount Rate	8.30%	8.30%	8.30%	8.30%
2. Expected Rate of Return on Plan Assets	9.00%	Not Applicable	9.00%	Not Applicable

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

(Rs. in Lacs)

Particulars	Gratuity (Funded)			
	2010-2011	2009-2010	2008-2009	2007-2008
Present value of defined benefit obligations	(50.98)	(21.10)	(21.51)	(14.18)
Fair value of plan assets	36.07	25.40	16.09	13.78
Surplus/(Deficit)	(14.91)	4.30	(5.42)	(0.40)
Experience adjustment on plan liabilities (loss)/gain	(11.13)	5.95	(0.74)	(0.84)
Experience adjustment on plan assets (loss)/gain	(0.32)	(0.36)	(0.04)	(0.15)

Notes :

- 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.
- Current service cost includes Rs. 8.17 lacs in respect of increase in ceiling limit under the Payment of Gratuity Act, 1972.
- Acquisition represents liability of employees taken over by the Company from its' subsidiary, EDCL Power Projects Limited.



12. 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 generation and sale of electricity (SOE) and sale of electrical project materials, consultancy and service charges (Contract Division). These have been identified by the type of their respective sales and services rendered.

Particulars	SOE		Contract Division		Total	
	2010-11 (Rs.)	2009-10 (Rs.)	2010-11 (Rs.)	2009-10 (Rs.)	2010-11 (Rs.)	2009-10 (Rs.)
Revenue :						
External sales*	125,181,892	121,587,979	344,978,007	194,243,698	470,159,899	315,831,677
Result :						
Segments	72,091,755	79,949,073	6,135,937	21,435,375	78,227,692	101,384,448
Less-Interest and Finance Charges					51,22,333	49,01,260
Less : Other common expenses (net)					(6,296,014)	(43,503,213)
Total Profit Before Tax					79,401,373	139,986,401
Provisions For Tax					8,786,817	25,917,992
Profit After Tax					70,614,556	114,068,409
Segments Assets	615,107,340	1,148,399,885	184,784,828	275,637,674	799,892,168	1,424,037,559
Unallocable Corporate Assets					1,473,461,020	820,235,897
TOTAL					2,273,353,188	2,244,273,456
Segments Liabilities	17,716,833	494,498,062	157,019,868	279,085,213	174,736,701	773,583,275
Unallocable Corporate Liabilities					2,098,616,487	1,470,690,181
TOTAL					2,273,353,188	2,244,273,456

* Sales/Income from operations includes Rs. 32,400,000/- (Previous Year Rs. 35,272,487/-) on account of income from consultancy and other services.

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.

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

13. Earning Per Share(EPS) :

Particulars	2010-11 (Rs.)	2009-10 (Rs.)
A. Basic and Diluted Earning per share has been computed as under:		
(a) Profit after tax	70,614,556	114,068,409
(b) Weighted Average Number of Equity Shares issued (Nos.)	27,500,000	27,500,000
(c) Basic Earning per share on profit after tax	2.57	4.15



14. Expenses in foreign currency :

	2010-11 (Rs.)	2009-10 (Rs.)
Travelling	5,363,894	-

15. The employees of EDCL Power Projects Ltd. (EDCL PPL) and their related liabilities have been taken over by the Company with effect from 1st April, 2010.

16. Managerial Remuneration paid to Whole Time Directors :

	31st March 2011 (Rs.)	31st March 2010 (Rs.)
Salary	4,400,000	4,400,000
Other Allowances	3,120,000	3,120,000
Total	7,520,000	7,520,000

Company's contribution to Gratuity Fund and Leave Encashment has not been considered above.

17. In view of Note 3(d) and Note 15 above, the previous year's figures are strictly not comparable. However, previous year's figures have been regrouped and rearranged wherever considered necessary.

Place : Kolkata
Dated : 25th July, 2011

As per our report of even date
For **Lodha & Co.**
Chartered Accountants
Sd/- **H. S. Jha**
Partner

For and on Behalf of the Board of Directors
Sd/- **Amar Singh**, Chairman
Sd/- **Sanjiv Saraf**, Executive Director
Sd/- **Gouri Prasad Goenka**, Director
Sd/- **Sanjay Kumar Gupta**, Director
Sd/- **Sunnoo Bahri**, Dy. Company Secretary

**CASH FLOW STATEMENT** FOR THE YEAR ENDED 31.03.2011

Amount (Rs.)

Particulars	For the Year Ended 31st March, 2011		For the Year Ended 31st March, 2010	
A) Cash Flow From Operating Activities:				
Profit/ (Loss) before taxation		79,401,373		139,986,401
Adjustments for :				
Depreciation	41,804,491		33,826,767	
Amortisation of Stores, Spares & Tools	309,064		309,064	
Interest & Finance Charges	5,122,333		4,901,260	
(Profit)/Loss on Sale of Fixed Assets(Net)	-		99,038	
(Profit)/Loss on Sale of Current Investment	512		(123,931)	
(Profit)/Loss on Sale of Investments	(41,524,726)		(710,43,151)	
Interest Received	(5,932,909)		(5,758,247)	
Irrevocable Balances Written-Off	1,037		173,480	
Liabilty no longer required written back	(162,340)		(948,293)	
Dividend on current investments	(63,873)	(446,411)	(112,542)	(38,676,554)
Operating Profit before Working Capital Changes		78,954,963		101,309,847
Adjustments for :				
(Increase)/Decrease in Inventory	(10,384,920)		(5,913,893)	
(Increase)/Decrease in Trade and Other receivables	(500,859,002)		352,626,356	
Increase/(Decrease) in Trade and Other payables	(133,964,935)	(645,208,856)	(343,028,343)	3,684,121
Cash generated from operations		(56,62,53,893)		104,993,968
Direct Taxes paid (Net of refund)		(17,497,699)		(24,609,378)
Net Cash Flow from Operating Activities		(583,751,592)		80,384,590
B) Cash Flow from Investing Activities				
Purchase of Fixed Assets		(242,010,532)		(15,104,059)
Sale of Fixed Assets		-		146,000
Capital Work in Progress		686,910,558		(239,584,732)
Purchase of Investments		(36,500,000)		(28,138,000)
Sale of Investments		45,131,552		86,028,701
Interest Received		5,926,758		5,714,676
Dividend Received		63,873		112,542
Net Cash Flow from Investing Activities		459,522,209		(190,824,872)
C) Cash Flow from Financing Activities				
Proceeds from / (repayments) of borrowings		116,031,803		207,613,988
Interest & Finance Charges		(5,122,333)		(4,901,260)
Dividend Paid		(27,500,000)		(27,500,000)
Dividend Distribution Tax Paid		(4,673,625)		(4,673,625)
Net Cash flow from Financing Activities		7,735,845		170,539,104
Net Increase/(Decrease) in Cash & Cash Equivalents		(45,493,538)		60,098,821
Cash and Cash equivalents at the beginning of the year		98,433,412		37,229,053
Adjustments due to Amalgamation and Transfer of Undertaking		-		1,105,538
Cash and Cash equivalents at the end of the year		52,939,875		98,433,412

Notes :

- 1) Cash and Bank Balance as on 31.03.2011 includes Rs. 35,674,000/- (Previous Year Rs. 34,174,000/-) as Margin Money Accounts.
- 2) Cash Flow Statement is prepared by the indirect method as set out in Accounting Standard - 3 on Cash Flow Statement.
- 3) Cash & Cash Equivalents presented in the statement consists of cash on hand and demand deposits with bank as on the balance sheet date.

As per our report of even date
For **Lodha & Co.**
Chartered Accountants
Sd/- **H. S. Jha**
Partner

Place : Kolkata
Dated : 25th July, 2011

For and on Behalf of the Board of Directors
Sd/- **Amar Singh**, Chairman
Sd/- **Sanjiv Saraf**, Executive Director
Sd/- **Gouri Prasad Goenka**, Director
Sd/- **Sanjay Kumar Gupta**, Director
Sd/- **Sunoo Bahri**, Dy. Company Secretary



BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

(a) **Registration Details**

Registration No.	L85110KA1995PLC017003	State Code:	08
Balance Sheet Date:	31.03.2011		

(b) **Capital raised during the year (Rs. '000)**

Public Issue	-	Right Issue	-
Bonus Issue	-	Private Placement	-

(c) **Position of Mobilisation and Deployment of Funds (Rs. '000)**

Total Liabilities	1,978,115	Total Assets	1,978,115
Source of Funds		Application of Funds	
Paid-up Capital	275,000	Net Fixed Assets	645,963
Share Warrant	-	Investments	166,819
Reserve & Surplus	973,320	Net Current Assets	1,165,333
Secured Loans	-	Miscellaneous Exp.	-
Unsecured Loans	683,380	Accumulated Losses	-
Deferred Tax Liability	46,414		

(d) **Performance of the Company (Rs. '000)**

Turnover	528,787
Total Expenditure	449,386
Profit before Tax	79,401
Profit after Tax	70,615
Earnings per share in Rs.	
- Basic	2.57
- Diluted	2.57
Dividend rate %	10%

(e) **Generic Names of three Principal Products / Services of Company (as per monetary terms)**

Item Code No. (ITC Code) : N.A.	Product Description : Hydel Power & Wind Power
Item Code No. (ITC Code) : N.A.	Product Description : Electrical Materials
Item Code No. (ITC Code) : N.A.	Product Description : Consultancy Services

Figures in rupees have been rounded off to the nearest thousands

Place : Kolkata
Dated : 25th July, 2011

For and on Behalf of the Board of Directors
Sd/- **Amar Singh**, Chairman
Sd/- **Sanjiv Saraf**, Executive Director
Sd/- **Gouri Prasad Goenka**, Director
Sd/- **Sanjay Kumar Gupta**, Director
Sd/- **Sunoo Bahri**, Dy. Company Secretary



**CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
2010-2011**



AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF ENERGY DEVELOPMENT COMPANY LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ENERGY DEVELOPMENT COMPANY LIMITED AND IT'S SUBSIDIARIES.

1. We have audited the attached Consolidated Balance Sheet of Energy Development Company Limited ("the Company") and its subsidiaries ("the Group") as at 31st March 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are prepared, in all material respect, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.
3. *Attention is invited to the following Notes of Schedule 17 regarding:*
 - a) *the status of a project in a subsidiary which in view of the delay in implementation, we are unable to comment on the capital work in progress as at the year end related to the said subsidiary (Note 5).*
 - b) *delay in recovery of certain overdue debtors and necessary provisions have not been made in these accounts. (Note 8).*
4. *We further report that overall impact with respect to Para 3 above cannot be ascertained and commented upon by us and consequential effect on consolidated profit for the year and respective balances of assets / liabilities cannot be determined.*
5. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements", on the basis of separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.
6. Based on our audit and on the basis of the information and explanations given to us, we are of the opinion that the said consolidated financial statements, *subject to our remarks as given in Para 3 above whereby as given in Para 4 above, we are unable to ascertain and indicate the impact thereof on these consolidated financial statements, and read together with the other notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India :*
 - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2011;
 - b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Group for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Lodha & Co.**
Chartered Accountants
Firm ICAI Registration No.: 301051E
Sd/- **H. S. Jha**
Partner
Membership No. : 55854

Place: Kolkata
Date : 25th July, 2011



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	275,000,000	275,000,000
Reserves & Surplus	2	990,223,524	946,356,145
LOAN FUNDS			
Secured Loans	3	253,078,767	99,148,077
Unsecured Loans	4	1,222,818,334	686,000,000
DEFERRED TAX LIABILITY (NET)		43,775,598	48,760,916
(Refer Note No 9 of Schedule 17)			
TOTAL		2,784,896,223	2,055,265,138
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	1,341,552,342	1,099,291,402
Less : Depreciation		338,590,335	279,504,913
Net Block		1,002,962,007	819,786,489
Capital Work-in-Progress		1,648,476,163	1,071,352,449
INVESTMENTS	6	2,017,546	5,624,884
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	31,924,035	21,776,967
Sundry Debtors	8	120,371,058	288,036,735
Cash and Bank Balances	9	131,671,651	115,153,327
Loans and Advances	10	165,540,058	154,854,183
Other Current Assets	10A	53,151	44,141
		449,559,954	579,865,353
LESS : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	11	211,165,493	328,028,779
Provisions	12	106,953,954	93,335,257
		318,119,447	421,364,036
NET CURRENT ASSETS		131,440,507	158,501,317
TOTAL		2,784,896,224	2,055,265,138
Significant Accounting Policies & Notes to the Accounts	17		

The Schedules referred to herein above form an integral part of the Balance Sheet

As per our report of even date
For **Lodha & Co.**
Chartered Accountants
Sd/- **H. S. Jha**
Partner

Place : Kolkata
Dated : 25th July, 2011

For and on Behalf of the Board of Directors
Sd/- **Amar Singh**, Chairman
Sd/- **Sanjiv Saraf**, Executive Director
Sd/- **Gouri Prasad Goenka**, Director
Sd/- **Sanjay Kumar Gupta**, Director
Sd/- **Sunoo Bahri**, Dy. Company Secretary



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Year ended 31st March 2011 Rs.	Year ended 31st March 2010 Rs.
INCOME			
Sales/Income from Operations		520,665,204	357,240,335
Other Income	13	48,048,424	78,313,545
Increase / (Decrease) in Stock	14	10,644,653	5,967,818
		<u>579,358,281</u>	<u>441,521,698</u>
EXPENDITURE			
Cost of Materials		285,707,763	146,450,141
Operating, Administrative & Other Expenses	15	129,747,128	92,749,320
		<u>415,454,891</u>	<u>239,199,461</u>
Profit before interest, depreciation & tax		163,903,390	202,322,237
Interest & Finance Charges	16	20,071,114	6,892,996
Profit before depreciation & tax		143,832,275	195,429,241
Depreciation	5	59,085,423	51,198,287
Profit before tax		84,746,853	144,230,954
Provision for tax			
- Current Income Tax		17,417,360	24,540,884
- Income tax for earlier years		(3,565,516)	49,415
- Fringe Benefit Tax		—	—
- Deferred Tax (Refer Note 9 of Schedule 17)		(4,985,318)	725,047
		<u>8,866,526</u>	<u>25,315,346</u>
Profit after tax		75,880,327	118,915,608
Profit Brought Forward From Previous year		463,684,348	376,942,365
Profit Available For Appropriation		539,564,674	495,857,973
Appropriations			
Proposed Dividend		27,500,000	27,500,000
Tax on Proposed Dividend		4,461,188	4,673,625
Balance Carried to Balance Sheet		507,603,487	463,684,348
		<u>539,564,674</u>	<u>495,857,973</u>
Earning Per Share (Refer Note 15 of Schedule 17)			
- Basic		2.76	4.32
- Diluted		2.76	4.32

Significant Accounting Policies & Notes to the Accounts 17

The Schedules referred to herein above form an integral part of the Profit & Loss Account

As per our report of even date
For **Lodha & Co.**
Chartered Accountants
Sd/- **H. S. Jha**
Partner

Place : Kolkata
Dated : 25th July, 2011

For and on Behalf of the Board of Directors
Sd/- **Amar Singh**, Chairman
Sd/- **Sanjiv Saraf**, Executive Director
Sd/- **Gouri Prasad Goenka**, Director
Sd/- **Sanjay Kumar Gupta**, Director
Sd/- **Sunoo Bahri**, Dy. Company Secretary



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
35,000,000 (35,000,000) Equity shares of Rs. 10/- each.	<u>350,000,000</u>	<u>350,000,000</u>
Issued, Subscribed & Paid-up		
27,500,000 (27,500,000) Equity shares of Rs. 10/- each	<u>275,000,000</u>	<u>275,000,000</u>
	<u>275,000,000</u>	<u>275,000,000</u>
SCHEDULE 2		
RESERVES & SURPLUS		
Capital Reserve on Amalgamation (Refer Note 6 (b) of Schedule 17)	1,165,345	1,165,345
Capital Reserve (Refer Note 15 of Schedule 17)	124,000,000	124,000,000
Capital Reserve on Consolidation	7,454,693	7,506,453
Securities Premium	350,000,000	350,000,000
Surplus in Profit & Loss Account	507,603,487	463,684,348
	<u>990,223,524</u>	<u>946,356,145</u>
SCHEDULE 3		
SECURED LOANS		
Cash Credit from Bank (Secured by hypothecation of entire stocks and other movables of the company including all movable Plants & Machineries, Furniture & Fixtures, Vehicles, Computers and other accessories, etc. stored or to be stored at the premises / godowns of the companys' 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)	—	99,148,077
PNB Term Loan (Secured by all the project assets including land and other structures & equipments of the Company and charge on the entire receivables of the project)	253,078,767	—
	<u>253,078,767</u>	<u>99,148,077</u>
SCHEDULE 4		
UNSECURED LOANS		
From Bodies Corporate	1,196,586,000	686,000,000
Interest Payable	26,232,334	—
	<u>1,222,818,334</u>	<u>686,000,000</u>



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE 5

FIXED ASSETS

Name of the Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		Amount (Rs.)
	Cost as at 01.04.10	Additions	Deductions	Cost as at 31.03.11	During the year	Deductions / Adjust- ments	Up to 31.03.11	As at 31.03.11	
								As at 31.03.10	
(A) Tangible Assets									
Freehold Land	15,954,522	-	-	15,954,522	-	-	-	15,954,522	15,954,522
Leasehold Land *	-	-	-	-	-	-	-	-	-
Office Premises	18,641,250	-	-	18,641,250	757,638	-	4,246,125	14,395,125	15,152,763
Buildings and Roads	78,679,276	93,359,249	-	172,038,525	4,220,143	-	11,990,810	160,047,715	70,908,609
Plant & Machinery	432,872,404	98,105,436	-	530,977,840	22,387,486	-	164,004,544	366,973,296	291,255,346
Hydraulic Works	266,043,918	37,623,583	-	303,667,501	12,603,074	-	78,172,079	225,495,422	200,474,913
Transmission Lines, Transformers, Cable Network, etc**	59,833,646	9,268,849	-	69,102,495	3,101,310	-	25,141,246	43,961,249	37,793,710
Office Equipment	6,984,988	515,218	-	7,500,206	1,445,474	-	4,369,727	3,130,479	4,060,735
Furniture and Fixtures	12,850,513	3,092,205	-	15,942,718	2,379,916	-	4,531,239	11,411,479	10,699,190
Motor Vehicle	19,840,058	-	-	19,840,058	1,786,748	-	14,725,500	5,114,558	6,901,306
Windmill ***	184,767,000	-	-	184,767,000	9,745,618	-	29,297,263	155,469,737	165,215,355
(B) Intangible Assets									
Goodwill	141,448	-	-	141,448	28,290	-	97,786	43,662	71,952
Computer Software	1,182,379	296,400	-	1,478,779	415,440	-	727,713	751,066	870,106
Tenancy Rights	1,500,000	-	-	1,500,000	214,286	-	1,286,303	213,697	427,983
TOTAL	1,099,291,402	242,260,940	-	1,341,552,342	59,085,423	-	338,590,335	1,002,962,007	819,786,490
Previous Year	1,079,058,735	21,379,784	1,147,117	1,099,291,402	54,069,490	902,079	279,504,913	819,786,489	

Note : * 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 Rs 72,100/-.

** 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.

*** Windmill includes Leasehold Land of Rs.3,600,000. (Previous Year-Rs.3,600,000).



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
SCHEDULE 6		
INVESTMENTS		
(Other than Trade)(At cost unless otherwise stated)		
Long Term		
Investments in Shares (Unquoted)		
EDCL Infrastructure Ltd. 170,000 Sh. of Rs.10/- each	1,700,000	1,700,000
	<u>1,700,000</u>	<u>1,700,000</u>
Investment in Shares (Quoted) (*)	317,546	2,731,158
Investment in Mutual Funds (*)	—	1,193,726
Total	<u><u>2,017,546</u></u>	<u><u>5,624,884</u></u>
(*) Includes Rs. 228,542 through Portfolio Management Services.		
SCHEDULE 7		
INVENTORIES		
(as taken valued and certified by the management)		
Contract work-in-progress	16,612,471	5,967,818
Stores, Spares and Consumables	15,311,564	15,809,149
	<u>31,924,035</u>	<u>21,776,967</u>
SCHEDULE 8		
SUNDRY DEBTORS		
(Unsecured - Considered Good unless otherwise stated)		
Outstanding for a period of more than six months	28,979,223	78,927,138
Other Debts	91,391,835	209,109,597
	<u>120,371,058</u>	<u>288,036,735</u>
SCHEDULE 9		
CASH & BANK BALANCES		
Cash & cheques in hand	842,886	455,206
Fixed Deposit	289,863	—
Balance with Scheduled Banks		
- on Current Accounts	92,721,541	80,295,386
- on Cash Credit Account	1,794,903	—
- on Unpaid Dividend Account	348,458	228,735
- on Margin Money Accounts (under lien)	35,674,000	34,174,000
	<u>131,671,651</u>	<u>115,153,327</u>



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
SCHEDULE 10		
LOANS & ADVANCES		
(Unsecured and considered good unless otherwise stated)		
Advance (recoverable in cash or in kind or for value to be received)	88,819,316	97,201,455
Security Deposits	2,078,908	1,400,533
Advance Income Tax including Tax Deducted at Source	72,778,264	54,371,025
Advance Fringe Benefit Tax	1,863,570	1,881,170
	<u>165,540,058</u>	<u>154,854,183</u>
SCHEDULE 10A		
OTHER CURRENT ASSETS		
Interest Receivable	53,151	44,141
	<u>53,151</u>	<u>44,141</u>
SCHEDULE 11		
CURRENT LIABILITIES		
Sundry Creditors (Refer Note 10 of Schedule17)	88,749,832	218,939,780
Advance Received from Customers	98,261,783	100,000,000
Unclaimed Dividend (*)	348,690	228,967
Other Liabilities	23,805,188	8,860,033
	<u>211,165,493</u>	<u>328,028,779</u>
(*) There is no amount due and outstanding to be credited to Investor Education and Protection Fund.		
SCHEDULE 12		
PROVISIONS		
Provision for Income Tax	73,120,940	59,272,708
Provision for Fringe Benefit Tax	1,871,826	1,888,924
Provision for Proposed Dividend	27,500,000	27,500,000
Provision for Dividend Distribution Tax	4,461,188	4,673,625
	<u>106,953,954</u>	<u>93,335,257</u>



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	Year Ended 31st March 2011 Rs.	Year Ended 31st March 2010 Rs.
SCHEDULE 13		
OTHER INCOME		
Profit on sale of Current Investment	(512)	123,931
Profit on Sale of Investments (Refer Note 7 of schedule 17)	41,524,726	71,043,151
Interest Received (Gross of Tax deducted at source Rs. 645,066/- (Previous Year Rs.5,36,871/-)	5,950,933	5,840,797
Dividend on Current Investments	63,873	112,542
Liability no longer required written back	210,262	949,638
Miscellaneous Income	299,143	243,488
	<u>48,048,424</u>	<u>78,313,545</u>
SCHEDULE 14		
INCREASE / (DECREASE) IN STOCK		
Opening Stock of Contract Work-in-Progress	5,967,818	—
Less: Closing Stock of Contract Work-in-Progress	16,612,471	5,967,818
	<u>10,644,653</u>	<u>5,967,818</u>
SCHEDULE 15		
OPERATING, ADMINISTRATIVE & OTHER EXPENSES		
Cost of Power Purchased	4,090,558	1,011,796
Operation and Maintenance Cost	—	824,000
Stores and Spares consumed	1,647,213	1,424,060
Contract, Consultancy and Service Charges	31,499,003	8,438,985
Rent	8,333,419	6,872,000
Repairs & Maintenance :		
Plant & Machinery	9,321,589	5,642,387
Others	2,035,308	2,079,700
Salary & Allowances	32,146,840	25,356,933
Contribution to Provident fund & other funds	432,193	341,459
Staff Welfare Expenses	2,375,150	1,841,044
Insurance	1,187,972	1,301,572
Rates & Taxes	3,063,716	3,761,880
Travelling & Conveyance Expenses	10,762,692	7,912,693
Payment to Auditors :		
- Statutory Audit	520,000	220,000
- Tax Audit	45,000	65,000
- Other Services	85,500	35,000
Legal & Professional Charges	9,933,843	9,768,300
Security Services	1,966,621	1,444,079
Telephone, Fax, Postal etc.	2,000,682	4,931,670
Loss on Sale of Fixed Assets (Net)	—	99,038
Discount & Rebate	959,523	—
Directors Meeting Fees	65,000	70,000
Irrevocable Balances Written-Off	1,037	173,480
Miscellaneous Expenses	7,274,269	9,134,245
	<u>129,747,128</u>	<u>92,749,320</u>
SCHEDULE 16		
INTEREST AND FINANCE CHARGES		
Interest Paid :		
On Cash-Credit	3,457,409	3,083,421
On Others	14,946,656	1,253,038
	<u>18,404,065</u>	<u>4,336,459</u>
Finance Charges	1,667,049	2,556,537
	<u>20,071,114</u>	<u>6,892,996</u>



CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS.

1. a) Principles of Consolidation

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 Profit & Loss Account) 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 2011, 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 has been included in this Consolidated Financial Statements along with the Company's holdings therein are given here under:

Sl. No.	Name of the Company	Ownership Interest (%)	
		2010-11	2009-10
1.	Ayyappa Hydro Power Limited (AHPL)	100	100
2.	EDCL Power Projects Limited (PPL)	100	100
3.	Eastern RamGanga Valley Hydrel Projects Company Pvt. Ltd.	100	—
4.	Sarju Valley Hydrel Projects Company Pvt. Ltd.	100	—
5.	EDCL Arunachal Hydro Project Pvt. Ltd.	100	—
6.	EDCL Seppa Beyong Hydro Electric Pvt. Ltd.	100	—
7.	EDCL Seppa Nire Hydro Electric Pvt. Ltd.	100	—
8.	EDCL Seppa Dhunko Hydro Electric Pvt. Ltd.	100	—
9.	EDCL Seppa Lada Hydro Electric Pvt. Ltd.	100	—
10.	EDCL Seppa Marjingla Hydro Electric Pvt. Ltd.	100	—
11.	EDCL Seppa Jung Power Pvt. Ltd.	100	—
12.	EDCL Seppa Kawa Power Pvt. Ltd.	100	—
13.	EDCL Seppa Pachuk Power Pvt. Ltd.	100	—
14.	EDCL Seppa Rieng Power Pvt. Ltd.	100	—
15.	EDCL Tawang Power Pvt. Ltd.	100	—
16.	EDCL Tawang Lower Tsachu Hydro Electric Pvt. Ltd.	100	—
17.	EDCL Tawang Upper Tsachu Hydro Electric Pvt. Ltd.	100	—



2. ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

The accounts have been prepared under the historical cost convention and in accordance with the provision of the Companies Act, 1956 and accounting standards notified vide Companies (Accounting Standards) Rules, 2006. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

2.2 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.

2.3 Fixed Assets

Fixed assets are stated at cost of acquisition/construction. Cost includes interest and pre-operative expenses as allocated to the fixed assets.

2.4 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.

2.5 Depreciation

Depreciation on all assets, other than the plant and machinery has been provided on written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

In respect of assets of plant and machinery, depreciation has been provided on Straight Line Method at the rates prescribed under schedule XIV of The Companies Act, 1956.

Assets having value of Rs.5,000/- or less have been written off in the year of acquisition irrespective, of the period of use.

2.6 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. The Company provides for diminution in the value of investments, other than temporary in nature.

2.7 Revenue Recognition

- a) Sales of electricity generated are accounted for on delivery to the grid.
- b) Revenue from sale of goods is recognized on delivery of the goods.
- c) Income from consultancy and other services are recognized on Proportionate Completion method with reference to the performance of the activities.

2.8 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 relating to the machinery are charged out as consumption, over the effective life of the plant and machinery to which they relate. Erection and maintenance tools are charged out over a period of five years.

Expenses incurred in respect of civil contract, to the extent not billed on customers is included as work-in-progress.

2.9 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 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.

2.10 Employees 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.

2.11 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.

In pursuance of Section 80-IA of the Income Tax Act, 1961 the profits earned by various Generation Divisions is not taxable for a period of ten consecutive financial years out of fifteen years from commencement of operations, since those divisions is engaged in generation of electricity. Accordingly, based on the Accounting Standards interpretation on "Accounting for Taxes on Income" (AS 22), deferred tax accounting in respect of the timing differences arising and/or reversing during the tax holiday period has not been considered.

2.12 Borrowing Cost

Borrowing costs that are attributable to the acquisition / construction 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.

2.13 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.

2.14 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.

3. Estimated amount of contracts remaining to be executed on capital account (net of advances) Rs. 579,439,112/- (Previous year Rs. 142,021,182/-).

4. Capital Work in Progress includes

- Machinery in stock, construction / erection materials, advances for construction/erection works and machinery etc.
- Capital advances of Rs. 199,367,580/- (Previous year Rs. 195,048,517/-)
- Pre-operative expenditure incurred during implementation of project as given below :

Particulars	As at 31.03.2011	As at 31.03.2010
Balance brought forward	182,354,296	45,922,547
Salaries and allowances	8,553,998	5,618,481
Staff welfare expenses	809,989	457,155
Rent	4,610,075	3,043,897
Rates and Taxes	6,489,008	402,826
Insurance	449,962	442,571
Legal and Professional charges	37,431,881	1,580,611
Travelling and Conveyance expenses	18,728,098	7,537,300
Interest on Term Loan	108,549,678	68,065,785
Miscellaneous expenses	18,450,164	40,063,244
Electricity & Gas Expenses	46,767	59,006
Contract Charges	—	9,160,873
Service Charges	24,053,054	—
Less: Transferred to Fixed Assets (Refer Note 4(d) below)	18,846,432	—
Balance Carried to Balance Sheet	391,680,538	182,354,296

- The second power plant at Harangi was commissioned during the year and accordingly pre-operative expenses and balances in Capital-work-in-progress has been transferred to Fixed Assets.



5. The power plant of the AHPL continues to be under construction. Pending outcome of the steps taken for completion of the project, the cost of machineries and equipments, advances thereagainst and expenditure incurred during construction period have been carried forward under capital work in progress. Adjustment, in the value of assets including impairment thereof and preoperative expenditure as may be required will be carried out on completion of the project.
6. A scheme of arrangement for amalgamation of Dhanashree Projects Limited (Dhanashree) with the Company and transfer of 7MW Ullankal Hydel Power Project Undertaking (the undertaking) to EDCL Power Projects Limited (PPL), a wholly owned subsidiary with effect from 1st April, 2009 (the appointed date) has been sanctioned by the Honourable High Court at Bangalore and Calcutta under Section 391 and Section 394 of the Companies Act, 1956 vide their Order dated August 12, 2010 and September 15, 2010 respectively. Necessary adjustments in this respect were given effect to in the books of accounts of the Company in previous year. However the necessary formalities in respect of change in name for immovable properties, investment, bank accounts etc are in the process of being complied with.
7. As Eastern RamGanga Valley Hydel Projects Company Pvt. Ltd. and Sarju Valley Hydel Projects Company Pvt. Ltd. has become a wholly owned subsidiary during the year. The difference between the investments and assets & liabilities of the said companies amounting to Rs. 25,880/- and Rs. 25,880/- respectively has been taken to capital reserve on consolidation.
8. The Power Purchase Agreement (PPA) with the Kerala State Electricity Board (KSEB) is yet to be signed. Pending the same and settlement of dispute regarding infirm power and point of metering, sundry debtors includes Rs. 22,280,642/- (Previous Year Rs.11,553,459/-) being withheld by KSEB. Necessary adjustments, if any, arising out of variation in tariff and units of firm/infirm power, shall be carried out in subsequent period. However, in view of the management the said amount is not likely to be material.
9. Income from sale of electricity for the year includes amount received from Chamundeshwari Electricity Supply Company Limited (CHESCOM) on account of excess generation and revision of rates totaling to Rs. 86.07 Lacs as arrear for the period upto 31st March, 2010. Cost of Power purchased for the year includes a sum of Rs. 32.56 lacs paid to CHESCOM on account of minimum demand charges for electricity purchased for the period upto 31st March, 2010.
10. The shares held in Ayyappa Hydro Power Ltd. was pledged (3,750,000 Shares) with the lender of the Company. Further the Company has given a non – disposable undertaking (8,750,000 Shares) to the lenders
11. The Company has not yet 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.
12. The break-up of Deferred Tax Assets and Liabilities is as follows :

Particulars	As on 1st April, 2010	Charge/(Credit) during the year	As on 31st March, 2011
Deferred Tax Assets			
Expenses allowed on Payment Basis	(423,837)	(1,203,448)	(1,627,285)
Deferred Tax Liabilities			
Depreciation Difference	49,184,753	(3,781,870)	45,402,884
Deferred Tax Liabilities (Net)	48,760,916	4,985,318	43,775,599

13. The Company has incorporated an overseas subsidiary. However, no capital contribution has been made as on 31st March, 2011. Accordingly this is not reported as a subsidiary.
14. Related Party disclosures pursuant to Accounting Standard - 18 :

a) Key Management Personnel and their relative Mr. Amar Singh (Chairman and Whole-time Director) Mrs. Pankaja Kumari Singh (Wife of Chairman and Whole-time Director) Mr. Sanjiv Saraf (Executive Director) Mrs. Indira Saraf (Wife of Mr. Sanjiv Saraf)
b) Associates Sarvottam Caps Limited



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

Particulars	2010-11 (Rs.)	2009-10 (Rs.)
Transactions during the year –		
- Managerial Remuneration		
Mr. Amar Singh	4,800,000	4,800,000
Mr. Sanjiv Saraf	2,000,000	2,000,000
- Rent Paid		
Mr. Amar Singh	360,000	360,000
Mrs. Pankaja Kumari Singh	600,000	600,000
Mr. Sanjiv Saraf	720,000	720,000
Mrs. Indira Saraf	720,000	420,000
- Directors Sitting Fees		
Mrs. Pankaja Kumari Singh	15,000	5,000
Outstanding as at the year end		
- Security Deposit Given		
Mr. Amar Singh	300,000	300,000
Mrs. Pankaja Kumari Singh	300,000	300,000

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

Particulars	2010-11 (Rs.)	2009-10 (Rs.)
Transactions during the year -		
Interest Paid		
- Sarvottam Caps Limited	17,510,138	8,816,712
Unsecured Loan Received		
- Sarvottam Caps Limited	125,000,000	20,000,000
Unsecured Loan Repaid		
- Sarvottam Caps Limited	-	-
Outstanding as at the year end		
- Sarvottam Caps Limited	210,000,000	85,000,000
Interest Payable	5,083,397	-

Note :

In respect of above parties, there is no provision for doubtful debts as on 31st March, 2011 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.

15. 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	Rs. 106,684/- (Previous year Rs. 102,041/-)
Employer's Contribution to Pension Fund	Rs. 251,260/- (Previous year Rs. 231,176/-)

(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.

(Rs.in Lacs)

Particulars		Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)
		31.03.2011	31.03.2011	31.03.2010	31.03.2010
Expenses Recognized in the Profit & Loss Account					
1	Current Service Cost	13.79	5.83	6.03	5.62
2	Interest Cost	2.02	1.72	1.7	1.38
3	Expected return on plan assets	(2.66)	0.00	(1.8)	0.00
4	Actuarial Losses / (Gains)	11.45	7.95	(3.7)	(3.25)
	Total Expenses	24.60	15.50	2.23	3.75
Change in the obligation during the year					
Present value of Defined Benefit Obligation at the beginning of the year		24.72	20.84	21.51	17.29
1	Current Service Cost	13.79	5.83	6.03	5.62
2	Interest Cost	2.02	1.72	1.70	1.38
3	Benefit Paid	(0.68)	(0.21)	(0.46)	(0.20)
4	Actuarial (Gains) / Losses	11.13	7.95	(4.06)	(3.25)
	Present value of Defined Benefit Obligation at the end of the year	50.98	36.13	24.72	20.84
Change in Assets during the year ended March 31, 2011					
Plan Assets at the beginning of the year		25.40	0.00	16.09	0.00
1	Contribution by Employer	9.01	0.21	8.33	0.20
2	Expected return on plan assets	2.66	0.00	1.80	0.00
3	Benefit Paid	(0.68)	(0.21)	(0.46)	(0.20)
4	Actuarial Gains / (Losses)	(0.32)	0.00	(0.36)	0.00
	Plan Assets at the end of the year	36.07	0.00	25.40	0.00
Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the year ended March 31, 2011					
Net Asset / (Liability) at beginning of the year		0.68	(20.84)	(5.42)	(17.29)
1	Employer Expenses	(24.6)	(15.5)	(2.23)	(3.75)
2	Employer Contributions	9.01	0.21	8.33	0.20
	Net Asset / (Liability) at the end of the year	(14.91)	(36.13)	0.68	(20.84)
Actuarial Assumptions					
1	Discount Rate	8.30%	8.30%	8.30%	8.30%
2	Expected Rate of Return on Plan Assets	9.00%	Not Applicable	9.00%	Not Applicable



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

(Rs. in Lacs)

Particulars	Gratuity (Funded)			
	2010-2011	2009-2010	2008-2009	2007-08
Present value of defined benefit obligations	(50.98)	(21.10)	(21.51)	(14.18)
Fair value of plan assets	36.07	25.40	16.09	13.78
Surplus/(Deficit)	(14.91)	4.30	(5.42)	(0.40)
Experience adjustment on plan liabilities (loss)/gain	(11.13)	5.95	(0.74)	(0.84)
Experience adjustment on plan assets (loss)/gain	(0.32)	(0.36)	(0.04)	(0.15)

Notes :

- 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.
- Current service cost includes Rs. 8.17 lacs in respect of increase in ceiling limit under the Payment of Gratuity Act, 1972.

16. 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 generation and sale of electricity (SOE) and sale of electrical project materials, consultancy and service charges (Contract Division). These have been identified by the type of their respective sales and services rendered.

Particulars	SOE		Contract Division		Total	
	2010-11 (Rs.)	2009-10 (Rs.)	2010-11 (Rs.)	2009-10 (Rs.)	2010-11 (Rs.)	2009-10 (Rs.)
Revenue :						
External Sales*	184,687,197	162,996,637	335,978,007	194,243,698	520,665,204	357,240,335
Result :						
Segments	923,860,160	86,185,000	6,135,937	21,435,000	98,521,953	107,620,000
Less : Interest and Finance Charges					20,071,114	6,892,996
Less : Other common expenses(net)					(6,296,014)	(43,503,949)
Total Profit Before Tax					84,746,853	144,230,953
Provisions For Tax					8,866,526	25,315,346
Profit After Tax					75,880,327	118,915,608
Segments Assets	2,662,587,936	1,835,633,896	184,784,828	275,637,675	2,847,372,764	2,111,271,571
Unallocable Corporate Assets					255,642,906	365,357,605
TOTAL					3,103,015,670	2,476,629,176
Segments Liabilities	830,476,129	729,281,829	157,019,868	279,085,213	987,495,997	1,008,367,042
Unallocable Corporate Liabilities					2,115,519,673	1,468,262,134
TOTAL					3,103,015,670	2,476,629,176

*Sales/Income from operations includes Rs. 32,400,000/- (Previous Year Rs. 35,272,487/-) on account of income from consultancy and other services.

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.

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



17. STATEMENT PURSUANT TO EXEMPTION UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Amount in Rs.

Sl. No.	Name of the Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Investment Other than Investment in Subsidiary	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1.	Ayyappa Hydro Power Limited	125,000,000	-	758,007,215	634,029,653	-	-	(3,804)	-	(3,804)	-
2.	EDCL Power Projects Ltd.	37,500,000	22,904,451	402,497,492	342,093,041	1,700,000	59,505,305	7,848,303	79,709	7,768,594	-
3.	EDCL Arunachal Hydro Project Pvt. Ltd.	100,000	-	3,150,536	3,236,981	-	-	(186,445)	-	(186,445)	-
4.	EDCL Seppa Beyong Hydro Electric Pvt. Ltd.	100,000	-	93,309,919	93,396,414	-	-	(186,495)	-	(186,495)	-
5.	EDCL Seppa Dunkho Hydro Electric Pvt. Ltd.	100,000	-	134,711,279	134,797,774	-	-	(186,495)	-	(186,495)	-
6.	EDCL Seppa Jung Power Pvt. Ltd.	100,000	-	42,416,250	42,502,695	-	-	(186,445)	-	(186,445)	-
7.	EDCL Seppa Kawa Power Pvt. Ltd.	100,000	-	68,121,044	68,207,539	-	-	(186,495)	-	(186,495)	-
8.	EDCL Seppa Lada Hydro Electric Pvt. Ltd.	100,000	-	86,039,065	86,125,560	-	-	(186,495)	-	(186,495)	-
9.	EDCL Seppa Marjingla Hydro Electric Pvt. Ltd.	100,000	-	131,807,326	131,893,821	-	-	(186,495)	-	(186,495)	-
10.	EDCL Seppa Nire Hydro Electric Pvt. Ltd.	100,000	-	26,716,250	26,802,795	-	-	(186,545)	-	(186,545)	-
11.	EDCL Seppa Pachuk Power Pvt. Ltd.	100,000	-	182,483,327	182,569,822	-	-	(186,495)	-	(186,495)	-
12.	EDCL Seppa Rieng Power Pvt. Ltd.	100,000	-	35,249,443	35,335,888	-	-	(186,445)	-	(186,445)	-
13.	EDCL Tawang Lower Tsachu Hydro Electric Pvt. Ltd.	100,000	-	7,467,097	7,553,642	-	-	(186,545)	-	(186,545)	-
14.	EDCL Tawang Power Pvt. Ltd.	100,000	-	14,539,819	14,632,659	-	-	(192,840)	-	(192,840)	-
15.	EDCL Tawang Upper Tsachu Hydro Electric Pvt. Ltd.	100,000	-	13,039,592	13,126,087	-	-	(186,495)	-	(186,495)	-
16.	Eastern Ramganga Valley Hydel Projects Co Pvt Ltd.	100,000	-	82,093,854	82,039,734	-	-	(20,000)	-	(20,000)	-
17.	Saiju Valley Hydel Projects Co Pvt Ltd.	100,000	-	49,073,432	49,019,312	-	-	(20,000)	-	(20,000)	-



18. Earning Per Share (EPS) :

Particulars	2010-11 (Rs.)	2009-10 (Rs.)
Basic and Diluted Earning per share has been computed as under :		
(a) Profit after tax	75,880,327	118,915,608
(b) Weighted Average Number of Equity Shares issued (Nos.)	27,500,000	27,500,000
(c) Basic Earning per share on profit after tax	2.76	4.32

19. In view of Note 4(d) above, the previous year's figures are strictly not comparable. However, previous year's figures have been regrouped and rearranged wherever considered necessary.

Place : Kolkata
Dated : 25th July, 2011

As per our report of even date
For **Lodha & Co.**
Chartered Accountants
Sd/- **H. S. Jha**
Partner

For and on Behalf of the Board of Directors
Sd/- **Amar Singh**, *Chairman*
Sd/- **Sanjiv Saraf**, *Executive Director*
Sd/- **Gouri Prasad Goenka**, *Director*
Sd/- **Sanjay Kumar Gupta**, *Director*
Sd/- **Sunnoo Bahri**, *Dy. Company Secretary*



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

Particulars	For the year ended 31.03.2011		For the year ended 31.03.2010	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
A) Cash Flow From Operating Activities:				
Profit/ (Loss) before taxation		84,746,853		144,230,953
Adjustments for :				
Depreciation	59,085,423		51,198,287	
Amortisation of Stores, Spares & Tools	424,528		309,064	
Interest & Finance Charges	20,071,114		6,892,996	
(Profit)/Loss on Sale of Fixed Assets(Net)	-		99,038	
(Profit)/Loss on Sale of Investment(Net)	(41,524,214)		(71,167,082)	
Interest Received	(5,950,933)		(5,840,797)	
Irrevocable Balances Written-Off	1,037		173,480	
Liabilty no longer required written back	(210,262)		(949,638)	
Dividend on current investments	(63,873)		(112,542)	
		<u>31,832,820</u>		<u>(19,397,193)</u>
Operating Profit before Working Capital Changes		116,579,673		124,833,761
Adjustments for :				
(Increase)/Decrease in Inventory		(10,571,596)		(15,725,575)
(Increase)/Decrease in Trade and Other receivables		175,368,404		411,735,067
Increase/(Decrease) in Trade and Other payables		(116,967,020)		(353,509,076)
Cash generated from operations		164,409,460		167,334,176
Direct Taxes paid (Net of refund)		(18,410,349)		(23,731,276)
Net Cash Flow from Operating Activities		145,999,111		143,602,900
B) Cash Flow from Investing Activities				
Purchase of Fixed Assets		(242,260,940)		(17,149,489)
Sale of Fixed Assets		-		146,000
Capital Work In Progress		(576,706,942)		(391,459,471)
Purchase of Investments		(200,000)		(28,138,000)
Sale of Investments		45,131,552		86,028,701
Interest Received		5,941,922		5,797,226
Dividend Received		63,873		112,542
Net Cash Flow from Investing Activities		(768,030,535)		(344,662,491)
C) Cash Flow from Financing Activities				
Proceeds from / (repayments) of borrowings		690,749,024		314,845,816
Interest & Finance Charges		(20,071,114)		(6,892,996)
Dividend Paid		(27,500,000)		(27,500,000)
Dividend Distribution Tax Paid		(4,673,625)		(4,673,625)
Net Cash flow from Financing Activities		638,504,285		275,779,195
Net Increase/(Decrease) in Cash & Cash Equivalents		16,472,862		74,719,604
Cash and Cash equivalents at the beginning of the year		115,153,327		39,177,640
Adjustments due to Amalgamation (Refer Note 4 below)		-		1,256,083
Adjustments due to acquisition of two subsidiaries (Refer Note 5 below)		45,462		-
Cash and Cash equivalents at the end of the year		131,671,651		115,153,327

Notes :

- Cash and Bank Balance as on 31.03.2011 includes Rs.35,674,000/- (Previous Year Rs.34,174,000/-) as Margin Money Accounts.
- 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 demand deposits with bank as on the balance sheet date.
- Consequent to scheme of arrangement for amalgamation of Dhanashree Projects Limited with the Company with effect from 1st April, 2009 as per Note 6, figures relating to erstwhile Dhanashree Projects Limited has been included in the respective figures given herein above and cash and bank balances acquired in this respect has been shown separately with cash and cash equivalents.
- Consequent to acquisition of two companies namely Eastern Ramganga Valley Hydrel Projects Co. Pvt Ltd and Sarju Valley Hydrel Projects Co. Pvt Ltd during the year figures relating to these companies has been included in the respective figures given herein above and cash and bank balances acquired in this respect has been shown separately with cash and cash equivalents.

As per our report of even date
For **Lodha & Co.**
Chartered Accountants
Sd/- **H. S. Jha**
Partner

Place : Kolkata
Dated : 25th July, 2011

For and on Behalf of the Board of Directors
Sd/- **Amar Singh**, Chairman
Sd/- **Sanjiv Saraf**, Executive Director
Sd/- **Gouri Prasad Goenka**, Director
Sd/- **Sanjay Kumar Gupta**, Director
Sd/- **Sunoo Bahri**, Dy. Company Secretary



ENERGY DEVELOPMENT COMPANY LIMITED

REGISTERED OFFICE :

HARANGI HYDROELECTRIC PROJECT, VILL. HULUGUNDA, TALUKA -SOMAWARPET,
DISTRICT - KODAGU, KARNATAKA - 571 233

PROXY

FOLIO NO. DPID No. Client ID No.

I/We
of being a
member/members of the above named Company, hereby appoint
.....of
..... or failing
him/her.....
of.....

..... as my/our Proxy to
attend and vote for me/us on my/our behalf at the 16th Annual General Meeting of the Company to be held at
the Registered Office of the Company at Harangi Hydroelectric Project, Vill. Hulugunda, Taluka -Somawarpet,
District - Kodagu, Karnataka-571 233 on Tuesday, the 13th day of September, 2011 at 11:30 A.M. and at any
adjournment thereof.

In witness whereof I/We have signed on thisday of2011.

Signed by the said

Affix.
Revenue
Stamp
Re. 1/-

Note : *The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 (Forty-eight) hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.*

[TEAR HERE]



ENERGY DEVELOPMENT COMPANY LIMITED

REGISTERED OFFICE :

HARANGI HYDROELECTRIC PROJECT, VILL. HULUGUNDA, TALUKA -SOMAWARPET
DISTRICT - KODAGU, KARNATAKA - 571 233

ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall)

Member's Folio No./Client ID : DP ID No. : No. of Share(s) held :
.....

I/We hereby record my/our presence at the 16th Annual General Meeting of **Energy Development Company Limited** being held at Harangi Hydroelectric Project, Vill. Hulugunda, Taluka -Somawarpet, District - Kodagu, Karnataka-571 233 on Tuesday, the 13th day of September, 2011 at 11:30 A.M. and at any adjournment thereof.

Signature of Shareholder(s) or Proxy

[TEAR HERE]

[TEAR HERE]

BOOK-POST

If undelivered, please return to :

Energy Development Company Limited
'EDCL House', 1A Elgin Road, Kolkata - 700 020