

14TH
ANNUAL REPORT & ACCOUNTS
2008 - 2009



ENERGY DEVELOPMENT
COMPANY LIMITED

**Annual General Meeting on Wednesday,
the 16th day of September, 2009 at 12.30
P.M. at Harangi Hydroelectric Project,
Vill. - Hulugunda, Taluka Somawarpet,
Dist. Kodagu, Karnataka - 571 233.**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Mr. Amar Singh

Executive Director

Mr. Sanjiv Saraf

Directors

Mr. Amitabh Bachchan

Mr. Gouri Prasad Goenka

Mr. Harshavardhan Neotia

Mr. Inder Chand Jain

Mrs. Pankaja Kumari Singh

Mr. Sanjay Kumar Gupta

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

'Azimganj House', 1st Floor,

7, Camac Street, Kolkata – 700 017

Principal Bankers

ABN AMRO Bank

Allahabad Bank

ICICI Bank Limited

The Federal Bank Limited

Yes Bank Limited

Audit Committee

Mr. Sanjay Kumar Gupta (Chairman)

Mr. Harshavardhan Neotia

Mr. Inder Chand Jain

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 **FOURTEENTH 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 Wednesday the 16th day of September, 2009 at 12:30 P. 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, 2009 and the Profit & Loss Account for the year ended on that date together with the reports of the Directors' and Auditors' thereon.
2. To declare dividend.
3. To elect a Director in place of Mr. Gouri Prasad Goenka, who retires by rotation and being eligible offers himself for re-appointment.
4. To elect a Director in place of Mr. Inder Chand Jain, who retires by rotation and being eligible offers himself for re-appointment.
5. To elect a Director in place of Mr. Sanjay Kumar Gupta, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

7. Alteration of the Objects Clause

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

“RESOLVED THAT pursuant to the provisions of Section 17 of the Companies Act, 1956, and other applicable provisions if any, the Objects Clause of the Memorandum of Association of the Company be and is hereby altered by inserting the following sub-clauses 7 and 8 after sub – clause 6 in the Clause III A :

7. To carry on business of developing land, planting, growing, cultivating, producing and raising plantations of Rubber, Banana, Pineapple, Coconut, Beetlenuts and all varieties of flowers, fruits, vegetables and spices and maintaining, conserving, protecting, preserving, tending, exploiting and managing in all respects, crops, trees and vegetation raised or come up naturally, or other agricultural, plantation and horticultural crops, medicinal, spices and aromatic plants and to establish, administer, own, run industries for manufacturing and/or to buy, sell, export, import, process, distribute or otherwise deal with all kinds of forest crops, natural products, agricultural, plantation and horticultural crops, medicinal, spices and aromatic plants and to carry on business of providing necessary infrastructure to harvest and develop forest resources, promoting forest resource based industries, arranging marketing of timber and other forest resource within the country and abroad.
8. To purchase, breed, raise, produce or otherwise acquire, invest in, own, hold, use, lease, mortgage, pledge, sell, assign, transfer, or otherwise dispose of, trade, deal with any and all kinds of animals and agricultural products, and purchase, manufacture, produce or otherwise acquire, invest in, own, hold, use, lease, mortgage, pledge, sell, assign, transfer, or otherwise dispose of trade, deal with any and all articles or things manufactured, produced, resulting or derived in whole or in part from animals or agricultural products of any kind.

By Order of the Board
For Energy Development Company Limited

Place : Kolkata
Date : 7th July, 2009

Sunnoo Bahri
Dy. Company Secretary



Notes :

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed hereto.
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 sent herewith.
4. The Register of Members and Share Transfer Books of the Company will remain closed from the 12th day of September, 2009 till the 16th day of September, 2009 (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 16th September, 2009.
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, 4 & 5 of notice) and are eligible for re-appointment is annexed herewith.
8. Please intimate any change in your address to the Registrar and share transfer agent of the Company.
9. Pursuant to section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal ballot) Rules, 2001 the transaction of business mentioned under item no.7 requires consent of shareholder(s) through Postal Ballot.
10. Postal Ballot Form (including instructions) together with Business Reply envelope are enclosed.
11. The Board of Directors at their Meeting held on 5th July, 2009 have appointed Mr. Lalit Kumar Sadani, Advocate, based in Kolkata as scrutinizer for conducting the Postal Ballot process in fair and transparent manner.
12. The Postal Ballot Form should reach the address of the scrutinizer given in the Business Reply envelope not later than the close of the business hours on 14th day of September, 2009.

ANNEXURE TO THE NOTICE

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

Item No. 7

Object Clause :- the Company is engaged in the business of generation of electricity through Hydro-Power Plants and Wind Mills. It has acquired lands for setting up various projects, some parts of the lands are presently not being used for the Projects.

Your Board has decided that the same can be used for plantation and cattle farming purposes.

Hence, the Company needs to alter the Object Clause of Memorandum of Association.

Any alteration in the object clause of the Memorandum of Association of the company requires the approval of the shareholders, by way of special resolution, under section 17 of the Companies Act, 1956. Hence, the draft resolution is proposed and shall be considered by way of Postal Ballot.



ANNEXURE TO THE NOTICE OF 14TH ANNUAL GENERAL MEETING
PARTICULARS OF DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT
(IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

NAME OF DIRECTOR	MR. GOURI PRASAD GOENKA	MR. INDER CHAND JAIN	MR. SANJAY KUMAR GUPTA
Status of Directorship	<i>Independent Non- Executive Director</i>	<i>Independent Non- Executive Director</i>	<i>Independent Non- Executive Director</i>
Date of Birth	11.10.1940	07.11.1939	09.04.1964
Date of appointment	29.07.1999	29.07.1999	18.03.2002
Qualification	B. Sc.	B. Com, C. A.	B. Com. FCS, ACIS (UK)
Expertise in specific functional areas	Mr. Gouri Prasad Goenka is a renowned industrialist and is holding directorship of prestigious companies.	Mr. Inder Chand Jain, has been the past Chairman of the Western India Regional Council of The Institute of Chartered Accountants of India and is Chairman of KJMC Global Market (India) Ltd and other companies engaged in providing financial services.	Mr. Sanjay Kumar Gupta, has been practising as a Company Secretary for over 20 years. He has authored books on company law and is the past Chairman of the Eastern India Regional Council of The Institute of Company Secretaries of India. He is having vast knowledge, experience and expertise in the field of Finance and Corporate Law.
Directorship in other Companies	Andhra Cements Ltd. Duncans Industries Ltd. Jayshree Tea & Industries Ltd. NRC Ltd. Star Paper Mills Ltd Stone India Ltd. Unimers India Ltd. Fertilisers Association of India	KJMC Financial Services Ltd. KJMC Global Market (India) Ltd. KJMC Investment Trust Co. Ltd. KJMC Shares & Securities Ltd. KJM C Technologies & Systems Ltd. Port City Infrastructure Development Ltd. Satyagiri Waterways Ltd. KJMC Commodities Market India Ltd.	MSV Securities Ltd. Coral Softwares Ltd. Wellesley Commercial Company Ltd. J. J. Financial Corporation Ltd. Hari Radha Healthy Agri food (P) Ltd. Sunrise DSC Services Private Ltd. SGA Corporate Advisors Private Ltd.
Chairman (C) / Member (M) of Committees of the Board of Companies of which he is a Director	NIL	5	1
Number of Shares / Warrants held in the Company as on 31.03.2009.	NIL	NIL	6,000 Shares 90,000 Warrants



DIRECTORS' REPORT TO THE SHAREHOLDERS

INTRODUCTION

The Directors present their Fourteenth Annual Report and Audited Statements of Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

The Financial Results of the Company are elaborated in the annexed Management Discussion and Analysis Report. The highlights are as under :

	As on 31.03.2009 (Rupees)	As on 31.03.2008 (Rupees)
Gross Turnover	1,172,362,388	657,417,807
Operating Profit before Interest, Depreciation & Tax	269,017,951	241,797,499
Interest and other Financial Charges	5,922,062	4,316,114
Depreciation	38,360,685	27,453,385
Net profit before Tax	224,735,204	210,028,000
Provision for Income Tax & F.B.T.	31,700,000	24,002,174
Provision for Deferred Tax	25,267,488	22,653,376
Net profit after Tax	167,767,716	163,372,450
Add : Balance brought forward from previous year	242,012,749	111,108,989
Profit available for appropriation	409,780,465	274,481,439
Proposed Dividend	27,500,000	27,500,000
Corporate Tax on Dividend	4,673,625	4,673,625
Balance to be carried forward	377,606,840	242,307,814

DIVIDEND

The Directors recommend for consideration of the Shareholders, at the ensuing Annual General Meeting, payment of dividend of Re.1/- per share (10 per cent) for the year ended on 31st March, 2009. The amount of dividend and tax thereon aggregates to Rs. 3.217 crores.

Dividend paid for the year ended 31st March, 2008 was Re.1/- per share (10 per cent). The amount of dividend and tax thereon aggregates to Rs. 3.217 crores.

OPERATIONS

Detailed information on the operations of different business segments of the company are covered in Management Discussion and Analysis Report.

NEW PROJECTS

During the year your company has successfully commissioned 7MW Ullankal Hydro Electric Project in the State of Kerala and also a 1.5 MW Wind Mill at Chitradurga in Karnataka.

PREFERENTIAL ALLOTMENT

In terms of the resolution passed under section 81(1A) of the Companies Act, 1956 at the Extra Ordinary General Meeting of the members of the Company, held on 27.08.2008, your Board allotted 40,00,000 convertible warrants on 11.09.2008 by way of private placement, at a price of Rs.135/- per warrant (including a premium of Rs.125/-) out of which 22,00,000 warrants were allotted to the promoters / promoters group of the company and rest to persons / entities other than promoter / promoters' group. The Warrant holders have already paid Rs.13.50/- per warrant and have the option to convert the warrants into equivalent number of equity shares of Rs. 10/- each fully paid-up, on payment of balance subscription amount of Rs.121.50/- per



warrant, in one or more tranches, within the period of 18 months from the said date of allotment. The entire money (Rs. 5.4 crores) raised through the issue of aforesaid warrants, have been fully utilized for the purposes mentioned in the explanatory statement to the Notice calling the aforesaid Extra Ordinary General Meeting.

DELISTING OF EQUITY SHARES

As decided in the last Annual General Meeting, the shares of the Company were voluntarily delisted from the Bangalore Stock Exchange Limited, with effect from 16th December, 2008 and The Calcutta Stock Exchange Association Limited, with effect from 27th January, 2009.

The equity shares of your Company remain listed with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

SUBSIDIARY COMPANY

M/s. Ayyappa Hydro Power Limited (AHPL) continues to be a wholly owned subsidiary of your Company.

AHPL is setting up a 15 MW Karikkayam Hydro Power Project in the state of Kerala. Necessary land for the project facilities is already in possession. Barring unforeseen circumstances the project is likely to be operational in the financial year 2010-11.

The statement pursuant to Section 212 of the Companies Act, 1956 in respect of the Subsidiary Company, is separately annexed and forms part of the Annual Report.

Your Company has also acquired 100% Equity Shares of M/s. Dhanashree Projects Private Ltd w.e.f 20.05.2009, and of M/s. EDCL Power Projects Ltd. w.e.f. 28.05.2009, and accordingly they have now become wholly owned subsidiaries of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Clause 49 of the Listing Agreement with the stock exchanges, the Management's Discussion and Analysis Report for the year under review, is given under a separate section and forms part of the Annual 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 Auditors' 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 CEO/CFO required under clause 49(V) of the Listing Agreement are also given therein.

CONSOLIDATED FINANCIAL STATEMENTS

The directors also present the audited consolidated financial statements incorporating the duly audited financial statements of the subsidiary, viz. Ayyappa Hydro Power Limited and as prepared in compliance with the accounting standards and listing agreements.

DIRECTORS

Mr. Gouri Prasad Goenka, Mr. Inder Chand Jain and Mr. Sanjay Kumar Gupta, Directors, 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, confirming that they have not incurred any disqualification, under section 274(1)(g) of the Companies Act, 1956. Your Board recommend their re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 with regard to the Directors' Responsibility Statement, the Board of Directors 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, 2009 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 is no foreign exchange earning or outgo.

AUDITORS' REPORT

The Auditors' Report to the Shareholders of the Company does not contain any qualification, reservation or adverse remarks.

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 (1-B) of the Companies Act, 1956. Your Board recommend their re-appointment from the conclusion of the ensuing Annual General Meeting, till the conclusion of the next Annual General Meeting.

PERSONNEL

Your Directors wish to acknowledge the support and valuable contributions made by the employees, at all levels. We continue to train and motivate our workforce to enhance their contribution towards the goals of your Company.

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 also take this opportunity to acknowledge the dedicated efforts made by workers, staff and officers, at all level for their contribution to the success achieved by the Company.

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

Amar Singh
(Chairman)

Place: New Delhi
Date : 5th July, 2009



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 consumption in Power House auxiliaries is 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 in these auxiliaries is kept at the minimum.

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.

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	53	Chairman	4,800,000	B. A., LLB	33	01.08.2007	Managing Director of Energy Development Company Ltd.	0.915%

Notes :

- 1) Remuneration includes salary and House Rent Allowance.
- 2) Appointment is 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.
- 3) Mr. Amar Singh is husband of Mrs. Pankaja Kumari Singh, Director.



THE REPORT ON **CORPORATE GOVERNANCE** FOR THE YEAR ENDED ON 31.03.2009

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. They are reputed and successful professionals, businessman, politician and film personality. They are well recognised in the society for their contributions and achievements in their respective fields of expertise.

As on 31st March, 2009, your company's Board consists of 8 (eight) members out of which 5 (five) are 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 Directors, if the Chairman of the Board is an Executive Director.

Board Meetings

The Board of Directors met eight (8) times during the year. The maximum time gap between any two consecutive meetings did not exceed four months. The dates of the Board meetings alongwith attendance of the Directors are as under :-

Sl. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	27.04.2008	9	4
2.	09.06.2008	9	4
3.	30.07.2008	8	4
4.	16.08.2008	8	3
5.	28.08.2008	8	3
6.	31.10.2008	8	4
7.	31.01.2009	8	3
8.	20.02.2009	8	3

Directors' attendance record and Directorship held

None of the Directors on 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	1	1	Nil
2.	Mr. Amitabh Bachchan	Independent Non-Executive Director	Nil	No	1	Nil	1
3.	Mr. Ashok Chaturvedi**	Independent Non-Executive Director	2	No	25 (including 21 Private Ltd. Cos.)	Nil	1
4.	Mr. Gouri Prasad Goenka	Independent Non-Executive Director	1	No	8	Nil	Nil



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. Harshavardhan Neotia	Independent Non-Executive Director	1	No	15 (including 1 Sec. 25 Co. and 1 Private Ltd. Cos.)	3	5
6.	Mr. Inder Chand Jain	Independent Non-Executive Director	Nil	No	8	3	1
7.	Mrs. Pankaja Kumari Singh	Promoter & Non-Executive Director	3	No	2 (including 1 Private Ltd. Cos.)	Nil	Nil
8.	Mr. Sanjay Kumar Gupta	Independent Non-Executive Director	7	Yes	7 (including 3 Private Ltd. Cos.)	Nil	Nil
9.	Mr. Sanjiv Saraf	Executive Director	8	Yes	4 (including 1 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.

** Resigned w.e.f. 9th June, 2008

Profiles of Directors retiring by rotation

MR. GOURI PRASAD GOENKA	: Independent, Non-Executive Director
Date of Birth	: 11.10.1940
Qualification	: B. Sc.
Expertise and experience in specific functional areas	: He is a renowned industrialist and is holding directorship of prestigious companies.
Directorship held in other Companies	: Andhra Cement Ltd., Duncan Industries Ltd., Jayshree Tea & Industries Ltd., NRC Limited, Star Paper Mills Ltd., Stone India Ltd., Unimers India Limited, & Fertiliser Association of India
Membership in other Board Committees	: Nil
Numbers of Share/Warrants held in the Company as on 31.03.2009	: Nil

MR. INDER CHAND JAIN	: Independent, Non-Executive Director
Date of Birth	: 07.11.1939
Qualification	: B. Com., Chartered Accountant
Expertise and experience in specific functional areas	: He has been the past Chairman of the Western India Regional Council of The Institute of Chartered Accountants of India and is Chairman of KJMC Global Market (India) Ltd and other companies engaged in providing financial services.
Directorship held in other Companies	: KJMC Financial Services Ltd., KJMC Global Market (India) Ltd., KJMC Investment Trust Company Ltd., KJMC Shares & Securities Ltd., KJMC Technologies & Systems Ltd., Port City Infrastructure Development Ltd., Satyagiri Waterways Ltd., KJMC Commodities Market India Limited
Membership in other Board Committees	: Member, Audit Committee & Share Transfer & Investor Grievance Committee of KJMC Financial Services Ltd., Member of Audit Committee & Chairman of Share Transfer & Investor Grievance Committee of KJMC Global Market (India) Ltd.
Numbers of Share/Warrants held in the Company as on 31.03.2009	: Nil



MR. SANJAY KUMAR GUPTA	: Independent, Non-Executive Director
Date of birth	: 09.04.1964
Qualification	: B. Com., FCS, ACIS (UK)
Expertise and experience in specific functional areas	: He has been practising as a Company Secretary for over 20 years. He has authored books on company law and is the past Chairman of the Eastern India Regional Council of The Institute of Company Secretaries of India. He is having vast knowledge, experience and expertise in the field of Finance and Corporate Law.
Directorship held in other Companies	: Wellesley Commercial Company Ltd., J. J. Financial Corporation Ltd., MSV Securities Ltd., Coral Soff'wares Ltd., Hari Radha Healthy Agri Food Products (P) Ltd., Sunrise DSC Services Private Limited, SGA Corporate Advisors Private Limited
Membership in other Board Committees	: Nil
Numbers of Share/ Warrants held in the Company as on 31.03.2009	: 6,000 equity shares 90,000 warrants

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 structures 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 formal 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 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, EDCL 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 except Mr. Sanjay Kumar Gupta, independent non-executive Director has received commission in addition to 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	-	N. A.	N. A.	-
Mr. Ashok Chaturvedi	5,000.00	N. A.	N. A.	5,000.00
Mr. Gouri Prasad Goenka	5,000.00	N. A.	N. A.	5,000.00
Mr. Harshavardhan Neotia	20,000.00	N. A.	N. A.	20,000.00
Mr. Inder Chand Jain	-	N. A.	N. A.	-
Mrs. Pankaja Kumari Singh	15,000.00	N. A.	N. A.	15,000.00
Mr. Sanjay Kumar Gupta	32,500.00	N. A.	1,75,000.00	2,07,500.00
Mr. Sanjiv Saraf	N. A.	19,00,000.00	N. A.	19,00,000.00

* 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 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 and any significant contributions made by them towards achieving the goal of the company.

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 Board.

Shares / Convertible Warrants held by Non – Executive Directors as on 31st March, 2009

Name of the Director	Number of Shares held
Mr. Amitabh Bachchan	10,00,000
Mr. Ashok Chaturvedi	NIL
Mr. Gouri Prasad Goenka	NIL
Mr. Harshavardhan Neotia	NIL
Mr. Inder Chand Jain	NIL
Mrs. Pankaja Kumari Singh*	4,68,938
Mr. Sanjay Kumar Gupta**	6,000

* Mrs. Pankaja Kumari Singh holds 1,00,000 convertible warrants.

** Mr. Sanjay Kumar Gupta holds 90,000 convertible warrants.



BOARD COMMITTEES

All decisions pertaining to the constitution of the Audit Committee and Shareholders' / Investors' Grievance Committees, 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 consists of three independent and Non Executive Directors. The Committee met five times during the year, viz. 15.05.2008, 04.06.2008, 30.07.2008, 25.10.2008 and 23.01.2009.

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	5
Mr. Inder Chand Jain	Member; Independent, Non-Executive	0
Mr. Harshavardhan Neotia	Member; Independent, Non-Executive	5

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 terms of reference of the Audit Committee include 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
 - 5A. 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.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. 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.
8. Discussion with internal auditors any significant findings and follow up there on.
9. 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.



10. 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.
11. 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.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

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 Chief internal auditor shall be subject to review by the Audit Committee

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

Related party transaction (including transaction in normal course of business, not in normal course of business and transactions not on an 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 any other services.

B. 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' / Investors'

The Committee met four times, during the year, viz. 27.04.2008, 29.07.2008, 31.10.2008 and 27.01.2009.

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 Director	4
Mr. Sanjiv Saraf	Member; Independent 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 01.04.2008 to 31.03.2009			
Pending as on 01.04.2008	Received	Redressed	Pending as on 31.03.2009
Nil	Nil	Nil	Nil

SUBSIDIARY COMPANY

Ayyappa Hydro Power Limited (AHPL), an unlisted company is Company's 100% wholly owned subsidiary. As per the provisions of Clause 49 the AHPL is not a material non – listed subsidiary.



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
2005-2006	Harangi Hydroelectric Project, Vill. – Hulugunda, Taluka, Somawarpet, Dist. – Kodagu, Karnataka – 571 233	02.09.2006 at 11:30 a. m.	<ol style="list-style-type: none"> 1. For Substitution of Articles of Association 2. For Alteration of the Object Clause in the Memorandum of Association 3. For Shifting of Registered Office to Bangalore 4. For raising of limit u/s. 293(1)(a) of the Companies Act, 1956 5. For raising of limit to borrow u/s. 293(1)(d) of the Companies Act, 1956 6. For payment by way of commission to Non-Executive Directors 7. For Re-appointment of Non-Executive Chairman as Executive Chairman.
2006-2007	“The Concord”, Hotel Atria, No. 1, Palace Road, Bangalore – 560 001	09.08.2007 at 4:00 p. m.	For Shifting of Registered Office from Bangalore to site office.
2007-2008	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 Sock Exchange Association Limited

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

Year	Location	Date and time	Special Resolutions Passed
2007-2008	Harangi Hydroelectric Project, Vill. – Hulugunda, Taluka - Somawarpet, Dist. – Kodagu, Karnataka – 571 233	27.08.2008 at 2:30 p. m.	Grant of 40,00,000 Lacs Convertible Warrants each for cash at an exercise price of Rs.135/- (including premium of Rs.125/-)

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 company are disclosed through notes to the accounts.

Accounting Treatment

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

Proceeds from the Preferential issue

The entire money raised through the Preferential issue of Warrants convertible into shares made during the financial year 2008-09 have been fully utilized for the purpose stated in the notice calling the Extra – Ordinary General Meeting for approval of the said Preferential issue.

**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 newspaper and are not being sent to the shareholders.

(b) Newspapers :

The Un audited Quarterly Results, for the quarter ended on 30.06.2008, 30.09.2008 and 31.12.2008 as per clause 41 of the Listing Agreement were published in the following newspapers :-

The Business Standard- Kolkata, Mumbai and Bangalore

Hosadigantha - (Kannada daily)-Bangalore

(c) EDIFAR Filing

The Company files the following information, statements and reports on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by National Informatics Centre (NIC), on-line, in such manner and format and within such time as specified by SEBI :

- ◆ Full version of annual report including the balance sheet, profit and loss account, directors' report and auditors' report, cash flow statements, half yearly financial statements and quarterly financial statements.
- ◆ Corporate Governance Report.
- ◆ Shareholding Pattern Statement.
- ◆ Statement of action taken against the company by any regulatory agency.
- ◆ Such other statement, information or report as may be specified by SEBI from time to time in this regard.

Compliance Officer : Mrs. Sunnoo Bahri, Dy. Company Secretary of the Company is the compliance officer and she is responsible for filing the above information in the EDIFAR system.

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 31st March, 2009, 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 Wednesday the 16th day of September, 2009 at Harangi Hydroelectric Project, Village – Hulugunda, Taluka – Somawarpet, Dist. – Kodagu, Karnataka – 571 233 at 12.30 P. M.

b. Financial Year : From 1st April to 31st March.**c. Book Closure Period :** September 12, 2009 to September 16, 2009 [both days inclusive].**d. Dividend Payment date :** On or after September 16, 2009.**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 2009 - 2010 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 2009 – 2010 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, 2009.

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

<u>STOCK EXCHANGE</u>	<u>CODE</u>
Bombay Stock Exchange	532219
National Stock Exchange	ENERGYDEV

h. **Demat ISIN Number :** INE306C01019

i. **Market Price Data :** There has been no trading on The Calcutta Stock Exchange Association Ltd.* and Bangalore Stock Exchange Limited* during the year 2008 – 2009. The details of trading at Bombay Stock Exchange Limited and National Stock Exchange of India Limited, for the period from 01.04.2008 to 31.03.2009 are shown below :

MONTH	BSE SHARE PRICE		NSE SHARE PRICE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April' 2008	168.45	93.00	170.25	93.00
May' 2008	153.00	110.00	154.95	108.00
June' 2008	119.50	93.65	121.40	93.00
July' 2008	164.60	92.35	161.35	92.30
August' 2008	162.55	115.00	163.50	115.00
September' 2008	129.00	85.60	129.25	85.05
October' 2008	104.00	39.20	106.25	40.00
November' 2008	57.75	35.35	58.15	34.95
December' 2008	46.40	31.20	45.90	31.10
January' 2009	52.95	34.50	53.00	34.60
February' 2009	42.25	34.35	41.45	34.10
March' 2009	50.40	31.35	50.95	31.10

* The shares of the Company were delisted from the Bangalore Stock Exchange Limited with effect from 16th December, 2008 and The Calcutta Stock Exchange Association Limited with effect from 27th January, 2009.

j. **Share Price Performance in comparison to broad based indices :**

The BSE Sensex opened on 01.04.2008 at 15,771.72 and closed on 31.03.2009 at 9,708.50. Accordingly, during the period under review, the share price performance of the Company has changed by (-) 57.62% as compared to the change of (-) 38.44 % on BSE Sensex.

The share price of the company as traded at BSE on 31.03.2009 was Rs. 40.30 per share.

k. **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

l. **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@airtelmail.in



m. **Share Transfer System**

Share transfer in physical form should be lodged at the office of 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 lodgement, if technically found to be in order and complete in all respect.

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

n. **Distribution of Shareholding as on 31.03.2009 is as under :**

Shareholding Range Rs. Rs.	Number of Shareholders	% of Shareholders	Number of Shares	% of Shareholding
Upto – 500	8270	92.2271	8,97,612	3.2640
501 – 1,000	358	3.9924	2,95,473	1.0744
1,001 – 5,000	268	2.9887	5,84,675	2.1261
5,001 – 10,000	23	0.2565	1,70,914	0.6215
10,001 – 50,000	25	0.2788	5,72,031	2.0801
50,001 – 1,00,000	5	0.0558	3,52,064	1.2802
1,00,001 and above	18	0.2007	2,46,27,231	89.5536
TOTAL	8967	100.0000	2,75,00,000	100.0000

o. **Shareholding as on 31.03.2009 :**

Category	No. of Shares held	% of holding
Promoters	1,42,92,315	51.97
FIs, Insurance Co, Banks etc.	4,61,746	1.68
Private Corporate Bodies	98,79,204	35.92
Indian Public	27,72,554	10.08
Others	94,181	0.34
TOTAL	2,75,00,000	100.00

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

The Shares of the Company has been dematerialised with NSDL and CDSL. As on 31.03.2009 2,64,54,588 shares (96.20%) has been dematerialized with NSDL and 9,99,447 shares (3.63%) with CDSL.

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

No GDR / ADR have been issued by the Company. However, the Company has issued 40,00,000 Warrants (22,00,000 warrants to promoters and 18,00,000 warrants to non – promoters) on 11th September, 2008 at the rate of Rs.135/- per warrant (subscription price of Rs.13.50/- per warrant).

Warrants allotted and issued to promoters will not be sold / transferred / hypothecated until 10th September, 2011.

r. **Plant Locations :**

- ▶ Harangi Hydroelectric Power Project : Village – Hulugunda, Taluka – Somawarpet, Dist. – Kodagu, Karnataka – 571 233.
- ▶ Ullankal Hydro Electric Power Project : Chittar P.O., Patthanamthitta – District, Kerala – 689 663.
- ▶ Wind Mill Project : Rangapur Kawal, Arsikere, District – Hassan, Karnataka – 573 103
- ▶ Wind Mill Project : K-73, Elkurnahalli, Jogimatti Wind Zone, Chitradurga - District, Karnataka.

s. **Address for Correspondence :**

Mrs. Sunnoo Bahri, Deputy Company Secretary
 'Azimganj House' 1st Floor
 7, Camac Street, Kolkata – 700 017.



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, 2009.

For **Energy Development Company Limited**

Sanjiv Saraf

(Executive Director)

Kolkata, 30th June, 2009

To
The Members of
Energy Development Company Limited

Re: Financial Statements for the year ended on 31st March, 2009 – 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 31.03.2009 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**

Nathmal Modi

DGM (Commercial)

Sanjiv Saraf

(Executive Director)

Dated this 30th June, 2009



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, 2009 as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement) issued by the Institute of Chartered Accountants of India and was limited to 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 explanations given to us and representations made by the Directors and the management, we certify that the company has complied in all material respects with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.
4. We further report 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

H. S. Jha
Partner

Place : Kolkata
Dated : 30th June, 2009

Membership No. 055854



MANAGEMENT DISCUSSION & ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENT

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.

By the end of August 2007, the total installed capacity in India is 135,402 megawatts (MW), out of which thermal occupies 86,976 MW (64.5%), hydro 34,131 MW (24.8%), nuclear 4,120 MW (3.1%) and renewable 10,175 MW (7.6%). Out of the total thermal mix, coal produces 71,932 MW (53.4%), gas produces 13,842 MW (10.2%) and oil produces a mere 1,202 MW (0.9%). 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 631 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 is expecting a total capacity addition of about 78,577 MW at the end of 2012 of which 16,553 MW is expected from hydro, 58,644 MW from thermal and 3,380 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 7.5% overall electrical energy shortage and 11% 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.ecoworld.com/>, <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
- ◆ Levy of 5% development surcharge to supplement resources for hydro electric projects by NHPC allowed by CERC.
- ◆ 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 incentives like soft loans and capital subsidy for setting up of SHP projects up to 25 MW capacity in the commercial sector.



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). 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 Director's Report. The total turnover for the year is Rs. 117.2 Crores (Previous Yr. – Rs.65.7 Crores) The Company has two segments, namely Generation Division and Contract Division.

Generation Division

Until last year, the Company had only one 9 MW Harangi Hydro Electric Project in the State of Karnataka and a Wind Mill having a capacity of 1.5 MW at Hassan District. During the year, your company has successfully commissioned 7MW, Ullankal Hydro Electric Project, in the State of Kerala and also a 1.5 MW Wind Mill at Chitradurga in the state of Karnataka.

Saleable electricity generated from –

- (a) Hydel Power Plants were 28.036 million units (Previous Yr. – 29.03 million units).
- (b) Wind Mills were 4.393 million units (Previous Yr. – 1.18 million units).

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, buildings 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. 106.23 crores (Previous Year Rs. 54.74 crores).

D. OUTLOOK

The Company's thrust area of operation is infrastructure development, whether as contractor or developer of power projects, roads etc. Your Board has undertaken major expansion programmes, which are briefly reported hereunder :

◆ Harangi Phase II Project

As reported last year, steps have been undertaken for setting up of additional capacity of 6MW at its Harangi Project site. The Project is expected to generate 6 (six) million units (approx.) annually.

◆ Projects at Arunachal Pradesh

Your Company has entered into Memorandum of Understandings with the Government of Arunachal Pradesh, to develop 2 (two) Hydro Electric Projects of various sizes, aggregating 60 MWs on BOOT basis. This is in addition to the 5 (five) Hydro Electric Power Projects aggregating 210 MWs, undertaken during the last financial year. The detailed study of the projects are going on.

**E. INTERNAL CONTROL SYSTEM**

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

The Company has re-appointed 2 (two) Chartered Accountant firms, namely M/s SRB & Associates and M/s Ganeriwala & Co., to carry out internal audit of the Company's activities at corporate office as well as the project sites respectively. The audit is based on an Internal Audit Plan, which is reviewed each year in consultation with the statutory auditors and the Audit Committee. 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 has been provided in the Corporate Governance Report. The Audit Committee reviews Audit Reports submitted by the Internal Auditors. Suggestions for improvement are considered and the Committee follows up on the implementation of corrective actions.

F. FINANCIAL PERFORMANCE

The net profit before tax stood at Rs. 22.47 Crores (Previous year- Rs. 21 Crores). The Company has also issued warrants on preferential basis, details are given in the Directors' Report. 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 induction of technical and commercial staff, at middle management and support staff levels. As on 31st March, 2009, the Company had employed 66 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

We have audited the attached Balance Sheet as at 31st March, 2009 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) (Amendment) Order, 2004 ("the Order") issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, ("the Act") and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, 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 regards 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 had given unsecured loans to a company listed in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs. 70000000 and the year-end balance of such loans was Rs. 200000.
 - (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 regards 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) As informed to us, the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause (iii) (e), (f) and (g) of the Order are not applicable to the company.



- iii) 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.
- iv) (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 regards to the prevailing market prices at the relevant time.
- v) 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.
- vi) 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.
- vii) 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.
- viii) (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.
- ix) The Company does not have any accumulated losses as at the end of the financial year and the Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- x) 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 the Financial Institutions and Banks. There were no debenture holders during the year.
- xi) 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.
- xii) 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.
- xiii) 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.



- xiv) 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.
- xv) According to the information and explanations given to us, the Company has not availed fresh term loans during the current financial year.
- xvi) According to the information and explanations given to us and on an overall examination of the Balance Sheet, no short-term funds have been utilized for the long term investment during the year
- xvii) The Company as given in Note 14 of Schedule 17 has made preferential issue of warrants to the parties covered in the Register maintained under Section 301 of the Act. Having regard to the terms of such issue, in our opinion, the same is not prejudicial to the interest of the Company.
- xviii) 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.
- xix) The Company has not raised money by public issue during the year.
- xx) 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, 2009 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, 2009 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 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, 2009;
- (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.

Place: Kolkata

Date : 30th June, 2009

For **Lodha & Co.**
Chartered Accountants

H. S. Jha
Partner

Membership No. : 55854



BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule No.	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	275,000,000	275,000,000
Share Warrant (Refer Note 14 of Schedule 17B)		124,000,000	70,000,000
Reserves & Surplus	2	727,606,840	592,012,749
LOAN FUNDS			
Secured Loans	3	59,794,395	250,085
Unsecured Loans	4	300,007,866	–
DEFERRED TAX LIABILITY [Refer Note No. 5 of Schedule 17B]		48,033,929	22,766,441
TOTAL		1,534,443,030	960,029,275
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	1,078,917,287	583,089,434
Less : Depreciation		226,296,296	187,938,710
Net Block		852,620,991	395,150,724
Capital Work-in-Progress		447,325,826	442,553,317
INVESTMENTS	6	147,862,000	54,557,225
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	6,360,456	6,103,659
Sundry Debtors	8	703,393,466	101,786,805
Cash and Bank Balances	9	37,229,053	56,027,407
Other Current Assets	10	570	602,803
Loans & Advances	11	102,841,504	170,177,634
		849,825,049	334,698,307
LESS : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	12	669,227,479	188,436,783
Provisions	13	93,963,357	78,493,515
		763,190,836	266,930,298
NET CURRENT ASSETS		86,634,213	67,768,009
TOTAL		1,534,443,030	960,029,275

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 and Co.**
Chartered Accountants
H. S. Jha
Partner

Place : Kolkata
Dated : 30th June, 2009

For and on Behalf of the Board of Directors
Sanjiv Saraf, Executive Director
Gouri Prasad Goenka, Director
Harshavardhan Neotia, Director
Sanjay Kumar Gupta, Director
Sunoo Bahri, Dy. Company Secretary



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Year ended 31st March 2009 Rs.	Year ended 31st March 2008 Rs.
INCOME			
Sales/Income from Operations		1,172,362,388	657,417,807
Other Income	14	5,484,240	6,056,585
		<u>1,177,846,628</u>	<u>663,474,392</u>
EXPENDITURE			
Cost of Materials		810,626,686	331,682,338
Operating, Administrative & Other Expenses	15	98,201,991	89,994,555
		<u>908,828,677</u>	<u>421,676,893</u>
Profit before interest, depreciation & tax		269,017,951	241,797,499
Interest & Finance Charges	16	5,922,062	4,316,114
Profit before depreciation & tax		263,095,889	237,481,385
Depreciation	5	38,360,685	27,453,385
Profit before tax		224,735,204	210,028,000
Provision for tax			
- Current Income Tax		31,000,000	23,500,000
- Income tax for earlier years		-	(32,826)
- Fringe Benefit Tax		700,000	535,000
- Deferred Tax		25,267,488	22,653,376
		<u>56,967,488</u>	<u>46,655,550</u>
Profit after tax		167,767,716	163,372,450
Profit Brought Forward From Previous year		242,012,749	111,108,989
Profit Available For Appropriation		<u>409,780,465</u>	<u>274,481,439</u>
Appropriations			
Proposed Dividend		27,500,000	27,500,000
Tax on Proposed Dividend		4,673,625	4,673,625
Balance Carried to Balance Sheet		377,606,840	242,307,814
		<u>409,780,465</u>	<u>274,481,439</u>
Earning Per Share			
- Basic		6.10	5.94
- Diluted		5.05	5.79

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 and Co.**
Chartered Accountants
H. S. Jha
Partner

Place : Kolkata
Dated : 30th June, 2009

For and on Behalf of the Board of Directors
Sanjiv Saraf, Executive Director
Gouri Prasad Goenka, Director
Harshavardhan Neotia, Director
Sanjay Kumar Gupta, Director
Sunoo Bahri, Dy. Company Secretary



SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
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SCHEDULE 1

SHARE CAPITAL

Authorised

3,50,00,000 (35,000,000) Equity shares of Rs. 10/- each

350,000,000

350,000,000

Issued, Subscribed & Paid-up

2,75,00,000 (27,500,000) Equity shares of Rs. 10/- each

275,000,000

275,000,000

275,000,000

275,000,000

SCHEDULE 2

RESERVES & SURPLUS

Securities Premium

350,000,000

350,000,000

350,000,000

350,000,000

Profit & Loss Account

377,606,840

242,307,814

Less : Adjustments pertaining to employee benefits pursuant to the transitional provisions of Accounting Standard - 15 (Revised) :
Employee Benefits

-

295,065

377,606,840

242,012,749

727,606,840

592,012,749

SCHEDULE 3

SECURED LOANS

Cash Credit from Bank

59,726,223

-

(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 company's contract division and also all present and future book debts, outstanding monies, receivables, claims, bills, etc. and equitable mortgage of immovable properties at 9MW Harangi Hydro Electric Project)

Vehicle Loan - From Bank

68,172

250,085

(Secured by hypothecation of respective vehicles financed from bank)

59,794,395

250,085

SCHEDULE 4

UNSECURED LOANS

From Bodies Corporate

300,007,866

-

300,007,866

-



SCHEDULE 5

FIXED ASSETS

Amount
(Rs.)

Name of the Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01.04.2008	Additions	Deductions	Cost as at 31.03.2009	As at 01.04.2008	During the year	Deduction/ Adjustments	Up to 31.03.2009	As at 31.03.2009	As at 31.03.2008
(A) Tangible Assets										
Freehold Land	208,300	15,746,222	-	15,954,522	-	-	-	-	15,954,522	208,300
Leasehold Land *	-	-	-	-	-	-	-	-	-	-
Office Premises	18,641,250	-	-	18,641,250	1,851,485	839,488	-	2,690,973	15,950,277	16,789,765
Buildings and Roads	14,628,643	64,050,633	-	78,679,276	4,038,839	1,235,335	-	5,274,174	73,405,102	10,589,804
Plant & Machinery	271,873,420	159,877,661	-	431,751,081	106,729,427	15,104,409	-	121,833,836	309,917,245	165,143,993
Hydraulic Works	117,486,445	148,557,473	-	266,043,918	45,708,588	7,854,475	-	53,563,063	212,480,855	71,777,857
Transmission Lines, Transformers, Cable Network, etc**	44,197,169	14,024,584	-	58,221,753	17,253,426	2,235,404	-	19,488,830	38,732,923	26,943,743
Office Equipment	1,976,439	310,524	3,100	2,283,863	1,175,376	361,079	3,099	1,533,356	750,507	801,063
Furniture and Fixtures	2,206,583	649,080	-	2,855,663	1,234,759	307,425	-	1,542,184	1,313,479	971,824
Motor Vehicle ***	18,929,998	527,576	-	19,457,574	7,419,094	3,032,189	-	10,451,283	9,006,291	11,510,904
Windmill****	92,767,000	92,000,000	-	184,767,000	2,480,042	7,325,985	-	9,806,027	174,960,973	90,286,958
(B) Intangible Assets										
Computer Software	174,187	87,200	-	261,387	47,674	64,896	-	112,570	148,817	126,513
TOTAL	583,089,434	495,830,953	3,100	1,078,917,287	187,938,710	38,360,685	3,099	226,296,296	852,620,991	395,150,724
Previous Year	486,539,704	96,566,030	16,300	583,089,434	160,500,411	27,453,385	15,086	187,938,710	395,150,724	

Notes : * 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 1,000/-.

** 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.

*** Motor Vehicles includes Rs.1,205,854 (Gross Block) hypothecated against the loan taken for purchasing the said vehicles.

**** Windmill includes Leasehold Land of Rs.3,600,000 (Previous year Rs.1,800,000/-).



As at 31st March, 2009 Rs.	As at 31st March, 2008 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 (50,000) Equity Shares of Rs.10/- each fully paid-up

125,000,000

500,000

125,000,000500,000**Shares in Associate Company (Unquoted)**

Dhanashree Projects Private Limited 497,000 (NIL) Equity Shares of Rs.10/- each fully paid-up

22,862,000

-

22,862,000-**Aggregate amount of Investments in Shares**147,862,000500,000**Current****Mutual Funds (Unquoted)**Standard Chartered Arbitrage Fund - Plan B - Growth
NIL (3044330.829) units of Rs.11.1683 each

-

34,000,000

Templeton India Ultra Short Bond Fund - Institutional Plan -
Reinvestment - NIL (2002058.701) units of Rs.10.0183 each

-

20,057,225

Aggregate amount of Investments in Mutual Funds-54,057,225**Aggregate amount of Investments in Shares & Mutual Funds**147,862,00054,557,225**Aggregate amount of Current Investments - At Cost**

-

54,057,225

Aggregate amount of Current Investments - At Net Assets Value

-

54,344,314

SCHEDULE 7**INVENTORIES**

(As taken, valued and certified by the management)

Stores, Spares and Consumables

6,360,456

6,103,659

6,360,4566,103,659**SCHEDULE 8****SUNDRY DEBTORS**

(Unsecured - Considered Good unless otherwise stated)

Outstanding for a period of more than six months

54,629,530

58,209,219

Other Debts

648,763,936

43,577,586

703,393,466101,786,805**SCHEDULE 9****CASH AND BANK BALANCES**

Cash and cheques in hand

105,366

74,565

Balance with Scheduled Banks

- on Current Accounts

2,801,298

12,372,603

- on Unpaid Dividend Account

148,389

69,487

- on Margin Money Accounts (under lien)

34,174,000

43,510,752

37,229,05356,027,407



	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SCHEDULE 10		
OTHER CURRENT ASSETS		
Interest Receivable	570	602,803
	<u>570</u>	<u>602,803</u>

SCHEDULE 11**LOANS AND ADVANCES**

(Unsecured and considered good unless otherwise stated)

Loan to Subsidiary	200,000	70,000,000
Advance (recoverable in cash or in kind or for value to be received)	29,512,213	58,170,423
Security Deposits	21,070,283	959,317
Advance Income Tax including Tax deducted at Source	50,358,108	39,902,134
Advance Fringe Benefit Tax	1,700,900	1,145,759
	<u>102,841,504</u>	<u>170,177,633</u>

SCHEDULE 12**CURRENT LIABILITIES**

Sundry Creditors (Refer Note 4 of Schedule 17B)	632,852,789	118,076,743
Advance received from customers	21,622,936	65,806,808
Unclaimed Dividend(*)	148,621	69,719
Book Overdraft	7,714,737	-
Other Liabilities	6,888,396	4,483,513
	<u>669,227,479</u>	<u>188,436,783</u>

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

SCHEDULE 13**PROVISIONS**

Provision for Income Tax	57,803,515	44,000,000
Provision for Fringe Benefit Tax	1,714,763	1,275,109
Provision for Proposed Dividend	27,500,000	27,500,000
Provision for Dividend Distribution Tax	4,673,625	4,673,625
Provision for Leave Encashment	1,729,000	1,005,000
Provision for Gratuity	542,454	39,781
	<u>93,963,357</u>	<u>78,493,515</u>



Year Ended 31st March 2009 Rs.	Year Ended 31st March 2008 Rs.
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SCHEDULE 14**OTHER INCOME**

Profit on sale of Current Investment	2,282,156	935,692
Profit on sale of Fixed Assets (Net)	1,099	-
Interest Received (Gross of Tax deducted at source Rs.540,627/- (Previous Year Rs.387,132/-))	2,677,127	3,361,607
Dividend on Current Investments	523,858	1,686,036
Miscellaneous Income	-	73,250
	5,484,240	6,056,585

SCHEDULE 15**OPERATING, ADMINISTRATIVE AND OTHER EXPENSES**

Cost of Power Purchased	908,933	655,869
Stores and Spares consumed	989,486	631,725
Contract, Consultancy and Service Charges	42,920,623	53,836,286
Rent	5,222,660	1,877,450
Repairs & Maintenance :		
- Plant & Machinery	1,549,752	141,921
- Others	394,380	59,776
Salary & Allowances	21,030,471	15,547,166
Contribution to Provident fund & other funds	296,919	238,063
Staff Welfare Expenses	1,217,911	814,239
Insurance	1,384,548	1,418,800
Rates & Taxes	725,164	820,398
Travelling & Conveyance Expenses	5,373,231	4,346,039
Payment to Auditors :		
- Statutory Audit	125,000	125,000
- Tax Audit	25,000	25,000
- Other Services	15,000	29,000
Legal & Professional charges	6,676,292	4,430,650
Security Services.	1,109,206	704,896
Telephone, Fax, Postal etc.	1,770,830	966,418
Vehicle Running Expenses	1,238,708	560,322
Directors Meeting Fees	77,500	75,000
General Expenses	5,150,377	2,690,472
Loss on Sale of Fixed Assets (Net)	-	64
	98,201,991	89,994,555

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

On Cash-Credit	653,625	257,215
On Others	10,575	23,705
	664,200	280,920
Finance Charges	5,257,862	4,035,195
	5,922,062	4,316,114



SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS.

(A) ACCOUNTING POLICIES1. **General**

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.

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.

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.

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.

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.

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.

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.

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.



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.

10. **Employee Benefits**

Employee 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.

11. **Taxation**

Provision for tax is made for current, deferred and fringe benefit 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 Generation Division (Harangi Unit) is not taxable for a period of ten consecutive financial years, with effect from the Financial Year 2002-03, since the company is engaged in infrastructure development. 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.

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.

13. **Provision, 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.

(B) NOTES TO THE ACCOUNTS

1. Estimated amount of contracts remaining to be executed on capital account (net of advances) Rs.57,500,000 (Previous year Rs.110,000,000).
2. 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. 17,800,000 (Previous year Rs.239,800,000).
 - c. Pre-operative expenditure incurred during implementation of project as given below :



Particulars	As on 31.03.2009	As on 31.03.2008
Balance brought forward	41,966,954	22,633,959
Salaries and allowances	3,837,545	1,961,339
Contribution to Provident & Other Funds	24,684	33,555
Staff welfare expenses	497,741	297,151
Rent	138,900	51,300
Rates and Taxes	760,249	675,040
Insurance	237,662	1,267,315
Legal and Professional charges	410,329	5,872,013
Travelling and Conveyance expenses	5,662,175	2,880,290
Interest on Unsecured Loan	1,483,698	-
Miscellaneous expenses	90,975	2,568,162
Charity & Donations	-	1,078,000
Electricity & Gas Expenses	929,858	514,081
Repairs and Maintenance	-	2,134,749
Less: Transferred to Fixed Assets as per Note (d) below	41,023,816	
Balance Carried to Balance Sheet	15016954	41,966,954

- d. On completion of the project at Ulankal (Kerala), preoperative expenses have been allocated on proportionate basis. The total project value was allocated to various Fixed Assets based on an independent valuer's Report.
3. In the opinion of the management, the current assets, loans and advances have a value on realization in the ordinary course of business, at least equal to the amount at which these are stated in the Balance Sheet.
4. The Company has not yet received information from vendors regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under the Act has not been given.
5. The break-up of Deferred Tax Assets and Liabilities is follows:

	As on 1st April 2008	Charge/(Credit) during the year	As on 31st March 2009
Deferred Tax Assets			
Expenses allowed on Payment Basis	355,196	416,871	772,067
Deferred Tax Liabilities			
Depreciation Difference	23,121,637	25,684,359	48,805,996
Deferred Tax Liabilities (Net)	22,766,441	25,267,488	48,033,929

6. Related Party disclosures pursuant to Accounting Standard -18 issued by the Institute of Chartered Accountants of India :

(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) Subsidiary Company Ayyappa Hydro Power Limited
(c) Associates Sarvottam Caps Limited Dhanashree Projects Private Limited



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

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
Transactions during the year -		
- Managerial Remuneration		
Mr. Amar Singh	4,800,000	4,800,000
Mr. Sanjiv Saraf	1,900,000	960,000
- Rent		
Mr. Amar Singh	360,000	560,000
Mrs. Pankaja Kumari Singh	300,000	200,000
Mr. Sanjiv Saraf	720,000	360,000
Mrs. Indira Saraf	420,000	420,000
- Directors Sittings Fees		
Mrs. Pankaja Kumari Singh	15,000	20,000
Outstanding as at the year end -		
- Security Deposit Given		
Mr. Amar Singh	300,000	300,000
Mrs. Pankaja Kumari Singh	300,000	300,000
- Share Warrant- Money received		
Mr. Amar Singh	-	2,000,000
Mrs. Pankaja Kumari Singh	-	2,000,000
Mr. Sanjiv Saraf	-	400,000

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

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
Transactions during the year -		
Investment in Shares		
- Ayyappa Hydro Power Limited	124,500,000	200,000
Share Application Money		
- Ayyappa Hydro Power Limited	-	(42,500,000)
Loans & Advances		
- Ayyappa Hydro Power Limited	(69,800,000)	70,000,000
Outstanding as at the year end -		
Loans & Advances		
- Ayyappa Hydro Power Limited	200,000	70,000,000

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

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
Transactions during the year -		
Investment in Shares		
- Dhanashree Projects Private Limited	22,862,000	
Interest paid		
- Sarvottam Caps Limited	-	6,027,398

Note :

In respect of above parties, there is no provision for doubtful debts as on 31st March 2009 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.

7. (a) Details in respect of Generating Capacity



	31st March, 2009	31st March, 2008
The derated installed capacity*:		
- of the hydel power plant	16 M.W	9 M.W
- of the wind turbine generator	3.0 M.W	1.5 M.W
Total number of the units generated and sold (In million units)**		
- From the hydel power plant	28.036	29.03
- From wind turbine generator	4.393	1.18

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

(b) Details in respect of goods purchased and sold :

Items	Purchase		Sale	
	Qty.	Value (Rs.)	Qty.	Value (Rs.)
Power Cable and accessories (*)		472,094,566		464,165,844
Back Pressure Turbine	(1 No.)	(72,914,442)	(1 No.)	(79,599,691)
Turbine Alternator -15 MW	5 Set (2 No.)	149,781,109 (34,929,779)	5 Sets (2 No.)	169,545,519 (37,511,099)
Generator Control and Panels	- (1 set)	- (35,352,909)	- (1 set)	- (37,120,555)
Others (*)		188,751,011 (188,485,208)		259,432,980 (200,982,671)

(*) As these materials comprises of various items in different units quantitative details has not been provided.

8. Value of consumption of stores and spare parts :

Particulars	31st March, 2009		31st March, 2008	
	Rs.	%	Rs.	%
Imported	NIL	NIL	NIL	NIL
Indigenous *	369,672	100	177,133	100

* Excluding Rs. 309,064 (Previous year Rs. 309,911) on account of amortisation of spares.

9. **Employee Benefits**

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

Defined Contribution Scheme

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

Employer's Contribution to Provident Fund Rs.94,419/-.(Previous year Rs.81,486/-)

Employer's Contribution to Pension Fund Rs.212,487/-.(Previous year Rs.184,835/-)

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)

	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)
	31.03.2009	31.03.2009	31.03.2008	31.03.2008
1. Current Service Cost	3.30	2.79	2.59	1.81
2. Interest Cost	1.23	0.87	0.88	0.69
3. Expected return on plan assets	(1.29)	0.00	(0.98)	0.00
4. Actuarial Losses / (Gains)	2.84	3.58	0.37	(0.63)
Total Expenses	6.08	7.24	2.86	1.87
Change in the obligation during the year				
1. Present value of Defined Benefit Obligation at the beginning of the year	14.18	10.05	10.49	8.21
2. Current Service Cost	3.30	2.79	2.59	1.81
3. Interest Cost	1.23	0.87	0.88	0.69
4. Benefit Paid	0.00	0.00	0.00	(0.03)
5. Actuarial (Gains) / Losses	2.80	3.58	0.22	(0.63)
Present value of Defined Benefit Obligation at the end of the year	21.50	17.29	14.18	10.05
Change in Assets during the year ended March 31, 2009				
1. Plan Assets at the beginning of the year	13.78	-	8.73	-
2. Contribution by Employer	1.06	-	4.22	-
3. Expected return on plan assets	1.28	-	0.98	-
4. Benefit Paid	0.00	-	0.00	-
5. Actuarial Gains / (Losses)	(0.04)	-	(0.15)	-
Plan Assets at the end of the year	16.09	-	13.78	-
Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the year ended March 31, 2009				
1. Net Asset / (Liability) at beginning of the year	(0.40)	(10.05)	(1.76)	(8.21)
2. Employer Expenses	6.08	7.24	2.86	1.87
3. Employer Contributions	1.06	0.00	4.22	0.03
4. Net Asset / (Liability) at the end of the year	(5.42)	(17.29)	(0.40)	(10.05)
Actuarial Assumptions				
1. Discount Rate	8.00%	8.00%	8.70%	8.70%
2. Expected Rate of Return on Plan Assets	9.00%	Not Applicable	9.00%	Not Applicable

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.

10. (a) **Managerial Remuneration paid to whole time Directors.**

	31st March, 2009 (Rs.)	31st March, 2008 (Rs.)
Salary	4,300,000	3,600,000
Other Allowances	3,120,000	2,160,000
Total	7,420,000	5,760,000

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



(b) **Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 and the commission payable to Non Executive Directors.**

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
Profit before tax and Extraordinary Items	224,823,678	210,028,000
Add :		
Managerial Remuneration	7,420,000	5,760,000
Commission to Non Executive Directors	175,000	75,000
Director Sittings Fees	77,500	75,000
Provision for Wealth Tax	76,464	99,691
Less:		
Profit on sale of Fixed assets	1,099	-64
Profit on sale of Investments	2,282,156	935,692
Net Profit for the purpose of Directors' Commission	230,389,387	216,973,319
1% of the above	2,302,894	2,169,733
Commission paid to Directors	175,000	75,000

11. **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	
	2008-09 (Rs.)	2007-08 (Rs.)	2008-09 (Rs.)	2007-08 (Rs.)	2008-09 (Rs.)	2007-08 (Rs.)
Revenue :						
External sales	110,004,240	109,971,467	1,062,358,148	547,446,340*	1,172,362,388	657,417,807
Result :						
Segments	62,883,502	80,959,743	191,573,725	148,874,690	254,457,227	229,834,433
Less-Interest and Finance Charges					5,922,062	4,316,114
Less : Other common expenses (net)					23,799,961	15,490,319
Total Profit Before Tax					224,735,204	210,028,000
Provisions For Tax					56,967,488	46,655,550
Profit After Tax					167,767,716	163,372,450
Segments Assets	1,321,626,383	821,699,520	704,380,477	169,572,631	2,026,006,860	991,272,151
Unallocable Corporate Assets					271,627,006	235,687,422
TOTAL					2,297,633,866	1,226,959,573
Segments Liabilities	303,312,858	33,415,317	650,171,764	151,682,820	953,484,622	185,098,137
Unallocable Corporate Liabilities					1,344,149,244	1,041,861,436
TOTAL					2,297,633,866	1,226,959,573

* Sales/Income from operations includes Rs. 169,213,805 (Previous Year Rs.19,22,32,324/-) 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.



12. Earning Per Share(EPS) :

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
A. Basic Earning per share has been computed as under:		
(a) Profit after tax	167,856,190	163,372,450
(b) Weighted Average Number of Equity Shares issued (Nos.)	27,500,000	27,500,000
(c) Basic Earning per share on profit after tax	6.10	5.94
B. Diluted Earning per share has been computed as under:		
(a) Profit after tax	167,856,190	163,372,450
(b) Weighted Average Number of Equity Shares issued (Nos.)	27,500,000	27,500,000
Add : Equity Shares that would have been issued on conversion of Warrant	5,702,740	736,339
Total	33,202,740	28,236,339
(c) Diluted Earning per share on profit after tax	5.06	5.79

13. Statement of purchase and sales/redemption of investments during the year.

Current Investments (Quoted)	Amount (Rs.)	
	Purchase Value	Sale/ Redemption Value
Optimix Active Short Term FOF - Institutional Plan growth	20,000,000	20,948,172
IDFC Floating Rate Fund - LT- Institutional Plan growth	10,000,000	10,140,199
Tempelton India Ultra Short Bond Fund - Institutional Plan growth	10,000,000	10,317,626

14. During the year the Company has allotted 4,000,000 (Previous year 3,500,000) warrants amongst promoters and independent investors on preferential basis, with an option to the warrant holders to acquire for every warrant, one fully paid up Equity Shares of Rs.10/- each of the Company for cash, at a price of Rs.135/- (Previous Year Rs.200/-) per equity share. In compliance to the requirement of this issue, the Company has received application money at Rs. 13.50 (Previous year Rs.20/-) from the allottees of the warrant aggregating to Rs. 54,000,000 (Previous year Rs.70,000,000) which will be adjusted and appropriated against the price of equity shares, payable by the warrant holders, at the time of exercising the option. All the monies raised through these preferential issues have been fully utilized for the purposes mentioned in the objects of these issues, in the respective notices and nothing remain unutilized.
15. a) The draft Power Purchase Agreement (PPA) with the Kerala State Electricity Board (KSEB) including tariff are under review by the Kerala State Electricity Regulatory Commission (KSERC). Pending approval, the revenue from 7MW Ullankal Hydro Project has been booked:
- On 11,95,500 units @ Rs.0.25 per unit, being infirm power (as per draft PPA); and
 - On 39,35,200 units @ Rs.2.44 per unit being firm power, as approved by KSERC in respect of which a review petition is pending before the KSERC.



Necessary adjustments, if any, arising out of variation in tariff and units of firm/infirm power, shall be carried out in subsequent period.

- b) The Power Purchase Agreement (PPA) with Bangalore Electric Supply Company is yet to be signed. Pending approval, the revenue from the 1.5 MW Wind Mill at Chitradurga has been booked on 4,73,935 units @ Rs.3.40 per unit based on the rate approved by the Karnataka State Electricity Regulatory Commission (KSERC).
16. The 1.5 MW windmill at Elkumahalli, Karnataka has commenced on 30.09.2008. Further, commercial production from 7MW Ullankal Hydro Electric project commenced on and from 13th November 2008. Hence previous year's figures are not strictly comparable. Previous year's figures have been regrouped and rearranged wherever considered necessary.

Place : Kolkata
Dated : 30th June, 2009

As per our report of even date
For **Lodha and Co.**
Chartered Accountants
H. S. Jha
Partner

For and on Behalf of the Board of Directors
Sanjiv Saraf, *Executive Director*
Gouri Prasad Goenka, *Director*
Harshavardhan Neotia, *Director*
Sanjay Kumar Gupta, *Director*
Sunnoo Bahri, *Dy. Company Secretary*



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009

Amount (Rs.)

Particulars	For the Year Ended 31st March, 2009		For the Year Ended 31st March, 2008	
A) Cash Flow From Operating Activities :				
Profit/ (Loss) before taxation		224,735,204		210,028,000
Adjustments for :				
Depreciation	38,360,685		27,453,385	
Amortisation of Stores, Spares & Tools	309,063		309,911	
Interest & Finance Charges	5,922,062		4,316,114	
(Profit)/Loss on Sale of Fixed Assets(Net)	(1,099)		64	
(Profit)/Loss on Sale of Current Investment(Net)	(2,282,156)		(935,692)	
Interest	(2,677,127)		(3,361,607)	
Dividend on current investments	(523,858)	39,107,570	(1,686,036)	26,096,139
Operating Profit before Working Capital Changes		263,842,774		236,124,139
Adjustments for :				
(Increase)/Decrease in Inventory	(565,861)		(527,874)	
(Increase)/Decrease in Trade and Other receivables	(523,259,417)		113,061,535	
Increase/(Decrease) in Trade and Other payables	482,017,369	(41,807,909)	(96,139,121)	16,394,540
Cash generated from operations		222,034,865		252,518,679
Direct Taxes paid (Net of refund)		(28,467,946)		(26,924,728)
Net Cash Flow from Operating Activities		193,566,919		225,593,951
B) Cash Flow from Investing Activities				
Purchase and Sale of Fixed Assets(Net)		(495,829,853)		(96,564,880)
Capital Work In Progress		(4,772,509)		(166,788,632)
Purchase of shares in Subsidiary Company		(124,500,000)		(200,000)
Purchase of shares in Associate Company		(22,862,000)		
Purchase and Sale of Investment (Net)		56,339,381		(17,500,747)
Interest Received		3,279,360		2,897,975
Dividend Received		523,858		1,686,036
Net Cash Flow from Investing Activities		(587,821,763)		(276,470,248)
C) Cash Flow from Financing Activities				
Proceeds of Share Warrants		54,000,000		70,000,000
Proceeds from / (repayments) of borrowings		359,552,176		(199,471)
Interest & Finance Charges		(5,922,062)		(4,316,114)
Dividend Paid		(27,500,000)		(27,500,000)
Dividend Distribution Tax Paid		(4,673,625)		(4,673,625)
Net Cash flow from Financing Activities		375,456,489		33,310,790
Net Increase/(Decrease) in Cash & Cash Equivalents		(18,798,355)		(17,565,507)
Cash and Cash equivalents at the beginning of the year		56,027,407		73,592,914
Cash and Cash equivalents at the end of the year		37,229,052		56,027,407

Notes :

- 1) Cash and Bank Balance as on 31.03.2009 includes Rs.34,174,000/- (Previous Year Rs.43,510,752/-) 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.

Place : Kolkata
Dated : 30th June, 2009

As per our report of even date
For **Lodha and Co.**
Chartered Accountants
H. S. Jha
Partner

For and on Behalf of the Board of Directors
Sanjiv Saraf, Executive Director
Gouri Prasad Goenka, Director
Harshavardhan Neotia, Director
Sanjay Kumar Gupta, Director
Sunnoo Bahri, Dy. Company Secretary



BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

(a) **Registration Details**

Registration No.	L85110KA1995PLC017003	State Code:	08
Balance Sheet Date:	31.03.2009		

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

Public Issue	-	Right Issue	-
Bonus Issue	-	Private Placement	54,000

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

Total Liabilities	1,534,443	Total Assets	1,534,443
Source of Funds		Application of Funds	
Paid-up Capital	275,000	Net Fixed Assets	1,299,947
Share Warrant	124,000	Investments	147,862
Reserve & Surplus	727,607	Net Current Assets	86,634
Secured Loans	59,794	Miscellaneous Exp.	-
Unsecured Loans	300,008	Accumulated Losses	-
Deferred Tax Liability	48,034		

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

Turnover	1,177,847
Total Expenditure	953,111
Profit before Tax	224,735
Profit after Tax	167,768
Earnings per share in Rs.	
- Basic	6.10
- Diluted	5.05
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 : 30th June, 2009

For and on Behalf of the Board of Directors
Sanjiv Saraf, Executive Director
Gouri Prasad Goenka, Director
Harshavardhan Neotia, Director
Sanjay Kumar Gupta, Director
Sunnoo Bahri, Dy. Company Secretary



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

1.	Name of the Subsidiary	Ayyappa Hydro Power Limited
2.	Number of Shares in the Subsidiary Company held by Energy Development Company Limited (a) Equity Shares (b) Equity Holding	1,25,000,000 100%
3.	The Net Aggregate of Profits / (Losses) of the Subsidiary Company for its Financial year so far as they Concern the Members of Energy Development Company Limited : - (a) Dealt with in the Accounts of Energy Development Company Limited for the year ended 31.03.2009 (b) Not Dealt with in the Accounts of Energy Development Company Limited for the year ended 31.03.2009 (Net of Taxes)	NIL Rs. (554,370)
4.	The Net Aggregate of Profits / (Losses) of the Subsidiary Company for the Previous Financial years so far as they Concern the Members of Energy Development Company Limited : - (a) Dealt with in the Accounts of Energy Development Company Limited upto year ended 31.03.2008 (b) Not Dealt with in the Accounts of Energy Development Company Limited upto year ended 31.03.2008	NIL Rs. (51,232)

Note : As the financial year of the Company coincide with the financial year of the holding Company, Section 212(5) of the Companies Act, 1956, is not applicable.

DIRECTORS' REPORT TO THE SHAREHOLDERS

To
The Shareholders

Your Directors have pleasure in presenting the 4th Annual Report of your Company along with the Audited Accounts for the period ended on 31st March, 2009.

FINANCIAL HIGHLIGHTS

	As on 31.03.2009 (Rupees)	As on 31.03.2008 (Rupees)
Net profit/ (loss) before Tax	(409,370)	(51,232)
Add : Provision for tax	(1,45,000)	-
Net profit/ (loss) after Tax	(5,54,370)	(51,232)
Add: Balance brought forward from previous year	(2,03,508)	(152,276)
Profit available for appropriation	(7,57,878)	(203,508)
Leaving a balance to be carried forward to next year account	(7,57,878)	(203,508)

DIVIDEND

Your directors do not recommend any dividend for the year under review.

KARIKKAYAM PROJECT

Your Company has taken over a 15 MW Karikkayam Hydel Power Project, in the State of Kerala. Necessary land for the project facilities is already in possession. Barring unforeseen circumstances the project is likely to be operational in the financial year 2010-11.

HOLDING COMPANY

The Company has issued and allotted 1,24,50,000 equity shares of Rs. 10/- each to Energy Development Company Limited and continues to be its wholly owned subsidiary.

DIRECTORS

Mr. Lalit Kumar Sadani, Director is retiring by rotation and being eligible offers himself 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, confirming that he has not incurred any disqualifications under section 274(1)(g) of the Companies Act, 1956.

Your Board recommend his reappointment.

AUDITORS

The Auditors of the company 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. Your Board recommends the re-appointment of M/s. Lodha & Co., Chartered Accountants, as auditors of the company to hold office from the conclusion of the ensuing Annual General Meeting, till the conclusion of the next Annual General Meeting.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

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- (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, 2009 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.

The Company is setting up a Hydel Power Plant, besides that it does not have any other business. Hence, there was no consumption of power. The question of technology absorption also does not arise. Since your company does not fall under the category of industries specified, in the Schedule to the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, it need not furnish any informations in Form A, prescribed therein. There is no foreign exchange earning or outgo and no technology absorption during the year under review.

PERSONNEL

None of the employees were in receipt of remuneration in excess of the limits laid down under section 217(2A) of the Companies Act, 1956. Hence, no particulars are required to be given in pursuance of the said section read with the Companies (Particulars of Employees) Rules, 1975.

For and on behalf of the Board

Place : New Delhi
Date : 5th July, 2009

Lalit Kumar Sadani, *Director*
Sanjiv Saraf, *Director*

AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of Ayyappa Hydro Power Limited ('the company') as at 31st March, 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. 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 ("the order"), as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 ('the Act') and on the basis of such checks of the books of records of the company as we considered appropriate and according to the information and explanations given to us, we report that :
 - i) The Company has no fixed assets and accordingly, clauses (i) (a) to (i) (c) of the Order are not applicable to the Company.
 - ii) The Company has no inventory and accordingly, clauses (ii) (a) to (ii) (c) of the Order are not applicable to the Company.
 - iii)
 - (a) The Company has not granted any secured or unsecured loan to any party covered in the register maintained under Section 301 of the Act. Accordingly provisions of Clause 4(iii) (a) to (d) of the Order are not applicable to the Company.
 - (b) The Company has taken interest free unsecured loan from its' holding company and other loans from a company covered in the Register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs.153,000,000 and the outstanding amount as at 31st March 2009 was Rs. 83,200,000.
 - (c) The rate of interest and other terms and conditions of aforesaid loans taken by the company, are *prima facie* not prejudicial to the interest of the Company.
 - (d) The Company has been regular in repayment of the principal amount and interest thereon as applicable.
 - iv) As there is no purchase of inventories and fixed assets or any sale of goods the clause 4(iv) of the Order is not applicable to the Company.
 - v) According to the information and explanations given to us and as per the records of the Company, there is no transaction that needs to be entered in the register required to be maintained under section 301 of the Act. Accordingly, the provisions of Clause 4 (v)(b) of the Order is not applicable to the Company.
 - vi) During the year, the Company has not accepted any deposits from the public and as such compliance of the provisions of Section 58A and 58AA or any other relevant provisions of the of the Act and Companies (Acceptance of Deposits) Rules 1975 does not arise.
 - vii) The requirement of internal audit system is not applicable to the Company.

- viii) Since the Company has not commenced its operation the requirement for maintenance of cost records as prescribed by the Central Government Clause (d) of sub section 209 of the Act, is not applicable to the Company.
- ix) (a) According to the information and explanation given to us and as per the records of the Company Investor Education and Protection Fund, Provident Fund, Employee State Insurance, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, Service Tax are not applicable during the year to the Company. There is no amount outstanding as at 31st March, 2009 for more than six months from the date they become payable in respect of Income Tax.
- (b) According to the information and explanations given to us and read with Para (a) above there are no dues that have not been deposited with the appropriate authority on account of any disputes.
- x) The Company has been registered for a period of less than five years. Accordingly, the provisions of Clause(x) of the Order related to accumulated losses at the end of the year and cash losses in the financial year are not applicable to the Company.
- xi) According to the records of the Company, we are of the opinion that the Company has no amounts due to financial institutions or debenture-holders or bank. Accordingly the provisions of clause (xi) of the Order are not applicable to the Company.
- xii) Based on our examination of the records and the information and explanations given 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. Accordingly the provisions of clause (xii) of the Order are not applicable to the Company.
- xiii) In our opinion, the Company is not a Chit fund or Nidhi/ Mutual benefit funds / 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 Bank or Financial Institutions.
- xvi) As per the information and explanations given to us, no fresh term loan has been taken during the year.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that no short term funds have been utilized for long term investments.
- xviii) The Company has not made any 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 debenture 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. Accordingly, provision of clause 4 (xx) of the Order is not applicable to the Company.

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xxi) During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India, we have neither come across any instances of fraud on or by the Company, noticed and reported during the year, nor have we been informed of any such case by the management.

B. Further to above, we report that :

- a) We have obtained all the information and explanations, which to the best of our knowledge and beliefs were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
- c) The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Act.
- e) On the basis of written representations received from the Directors as on 31st March, 2009 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, 2009 from being appointed as a director in terms of clause (g) of Sub sec (1) of Section 274 of the Act.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the act in the manner so required and read together with other notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009, and
 - ii. In the case of Profit and Loss Account, of the loss of the Company for the year ended on that date, and
 - iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place: Kolkata

Date : 30th June, 2009

For **Lodha & Co.**
Chartered Accountants

H. S. Jha

Partner

Membership No. : 055854

AYYAPPA HYDRO POWER LIMITED

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BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	125,000,000	500,000
LOAN FUNDS			
Unsecured Loan	2	110,700,000	226,500,000
TOTAL		235,700,000	227,000,000
APPLICATION OF FUNDS			
FIXED ASSETS			
Capital Work In Progress		232,567,152	194,201,220
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	3	1,948,587	32,325,610
Loans and Advances	4	11,484,166	315,835
		13,432,753	32,641,445
LESS : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	5	10,919,622	59,852
Provisions	6	145,000	-
		11,064,622	59,852
NET CURRENT ASSETS		2,368,131	32,581,593
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)			
Preliminary Expenses		6,839	13,678
PROFIT & LOSS ACCOUNT DEBIT BALANCE		757,878	203,508
TOTAL		235,700,000	227,000,000

Significant Accounting Policies & Notes to the Accounts 7

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

Place : Kolkata
Dated : 30th June, 2009As per our report of even date
For **Lodha and Co.**
Chartered Accountants
H. S. Jha
PartnerFor and on Behalf of the
Board of Directors
S. Saraf, Director
L. K. Sadani, Director
A. K. Chowdhary, Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Year Ended 31st March, 2009 Rs.	Year Ended 31st March, 2008 Rs.
Income			
Interest Received (Gross of tax deducted at source Rs.144,826/-) (Previous year Rs.22,063/-)		703,038	107,104
		<u>703,038</u>	<u>107,104</u>
Expenditure			
Rates & Taxes		843,424	6,650
Audit Fees		15,000	15,000
Bank Charges		5,506	96,372
Electricity Charges		1,456	-
Professional Charges		-	13,285
Preliminary Expenses Written off		6,839	6,839
Miscellaneous Expenses		180,183	20,190
Salary		60,000	-
		<u>1,112,408</u>	<u>158,336</u>
Profit/ (Loss) for the year		(409,370)	(51,232)
Provision for taxation			
- Current Income Tax		135,000	-
- Fringe Benefit Tax		10,000	-
		<u>145,000</u>	<u>-</u>
Profit/ (Loss) after tax		(554,370)	(51,232)
Profit/ (Loss) Brought Forward From Previous Year		<u>(203,508)</u>	<u>(152,276)</u>
Balance Carried to Balance Sheet		(757,878)	(203,508)
Earning Per Share			
Basic & Diluted		(4.69)	(1.02)

Significant Accounting Policies & Notes to the Accounts

7

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

Place : Kolkata
Dated : 30th June, 2009

As per our report of even date
For **Lodha and Co.**
Chartered Accountants
H. S. Jha
Partner

For and on Behalf of the
Board of Directors
S. Saraf, Director
L. K. Sadani, Director
A. K. Chowdhary, Director

AYYAPPA HYDRO POWER LIMITED

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SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
15,000,000 (50,000) Equity shares of Rs. 10/- each	<u>150,000,000</u>	<u>500,000</u>
	<u>150,000,000</u>	<u>500,000</u>
Issued, Subscribed & Paid-up		
12,500,000 (50,000) Equity shares of Rs. 10/- each. (Held by the Holding Company, Energy Development Company Limited)	<u>125,000,000</u>	<u>500,000</u>
	<u>125,000,000</u>	<u>500,000</u>
SCHEDULE 2		
UNSECURED LOANS		
From Holding Company	200,000	70,000,000
From Body Coporates	<u>110,500,000</u>	<u>156,500,000</u>
	<u>110,700,000</u>	<u>226,500,000</u>
SCHEDULE 3		
CASH AND BANK BALANCES		
Cash in hand	25,526	4,096
Balance with Schedule Banks – On Current Accountt	<u>1,923,061</u>	<u>32,321,514</u>
	<u>1,948,587</u>	<u>32,325,610</u>
SCHEDULE 4		
LOANS AND ADVANCES		
(Unsecured and considered good unless otherwise stated)		
Advance (recoverable in cash or in kind or for value to be received)	1,191,005	267,500
Security Deposits	10,090,000	–
Advance Income Tax including Tax Deducted at Source	193,161	48,335
Advance Fringe Benefit Tax	10,000	–
	<u>11,484,166</u>	<u>315,835</u>
SCHEDULE 5		
CURRENT LIABILITIES		
Sundry Creditors	933,458	59,852
Other Liabilities	<u>9,986,164</u>	<u>–</u>
	<u>10,919,622</u>	<u>59,852</u>
SCHEDULE 6		
PROVISIONS		
Provision for Income Tax	135,000	–
Provision for Fringe Benefit Tax	10,000	–
	<u>145,000</u>	<u>–</u>

SCHEDULE - 7**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS****1. Accounting Policies****A) General**

- a. The Accounts have been prepared on historical cost basis and on the accounting principles of going concern.
- b. Accounting policies unless specifically stated to be other wise, are consistent and are in consonance with generally accepted accounting principles.

B) 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 recognized in the year in which the results become known/ materialize.

C) Fixed Assets

Fixed Assets are stated at cost of acquisition/construction. Expenses relating to Project prior to commencement of commercial production are classified as preoperative expenditure.

Capital work in progress includes advances given for capital project.

D) Depreciation

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

E) Preliminary Expenses

Preliminary Expenses are written off over a period of five years.

F) Borrowing Cost

Borrowing cost incurred in relation to the acquisition, construction of qualifying asset are capitalised as part of cost of such assets. Other borrowing costs are charged as an expense in the year in which these are incurred.

G) Income Tax

Provision for tax is made for both 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 periods are recognised using tax rates and tax laws, which have been enacted or substantively enacted. Deferred tax assets are not recognized unless there is sufficient assurance with respect to reversal of the same in future years.

G) 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. Capital Commitment :

Estimated amount of contract remaining to be executed on capital account (net of advances) Rs.228,370,090/- (Previous year Rs. 250,865,090/-).

3. Related Party disclosures as required by Accounting Standard 18 :

Name of the Party	Relationship
(a) Holding Company	Energy Development Company Limited
(b) Associates	Sarvottam Caps Limited Dhanashree Projects Private Limited

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

Particulars	2008-2009	2007-2008
Transactions during the year :		
Allotment of Equity Shares	124,500,000	-
Share Application Money paid	-	42,500,000
Unsecured Loan received	-	70,000,000
Unsecured Loan repaid	6,800,000	-
Interest on Unsecured Loan	-	-
Payable as at the year end		
Unsecured Loans	200,000	70,000,000

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

Particulars	2008-2009	2007-2008
Transactions during the year :		
Unsecured Loan received		
- Sarvottam Caps Limited	-	96,500,000
- Dhanashree Projects Private Limited	16,500,000	-
Interest Paid		
- Sarvottam Caps Limited	6,650,000	8,038,356
- Dhanashree Projects Private Limited	65,753	-
Payable as at the year end		
Unsecured Loans		
- Sarvottam Caps Limited	66,500,000	66,500,000
- Dhanashree Projects Private Limited	16,500,000	-
Interest Payable		
- Sarvottam Caps Limited	5,280,100	-
- Dhanashree Projects Private Limited	52,208	-

4. (a) The power plant of the Company continues to be under construction. Pending outcome of the steps taken for completion of the project, the cost of machineries and equipments, advances there against 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 pre-operative expenditure as may be required will be carried out on completion of the project.
- (b) Capital work in progress includes
- machinery in stock, construction/erection materials, advances for construction/erection works and machinery etc.
 - capital advances of Rs.199,314,453 (Previous Year Rs.177,714,453)
 - pre-operative expenditure incurred during implementation of project as given below :

Particulars	As at 31st March, 2009	As at 31st March, 2008
Balance brought forward	16,022,915	984,930
Advertisement	298,000	-
Rent	1,254,000	-
Rates & Taxes	180,181	46,968
Professional Fees	594,400	380,000
Travelling & Conveyance	469,419	123,072
Interest Charges	11,757,670	14,487,945
Miscellaneous Expenses	329,008	-
Balance carried forward	30,905,593	16,022,915

5. Previous year's figures have been re-grouped/re-arranged wherever necessary.

Place : Kolkata
Dated : 30th June, 2009

As per our report of even date
For **Lodha and Co.**
Chartered Accountants
H. S. Jha
Partner

For and on Behalf of the
Board of Directors
S. Saraf, Director
L. K. Sadani, Director
A. K. Chowdhary, Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009

Particulars	31.03.2009		31.03.2008	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
A) Cash Flow From Operating Activities:				
Profit/ (Loss) before tax and extraordinary items		(409,370)		(51,232)
Adjustments for :				
Preliminary Expenses written off	6,839		6,839	
Interest on Fixed Deposits	(703,038)	(696,199)	(107,104)	(100,265)
Operating Profit before Working Capital Changes		(1,105,569)		(151,497)
Adjustments for :				
(Increase)/Decrease in Trade and Other receivables	(11,013,505)		(77,675)	
Increase/(Decrease) Trade and Other payables	10,859,770	(153,735)	(23,230,099)	(23,307,774)
Cash generated from operations		(1,259,304)		(23,459,271)
Direct Taxes paid		(154,826)		-
Net Cash Flow from Operating Activities		(1,414,130)		(23,459,271)
B) Cash Flow from Investing Activities				
Purchase and Sale of Fixed Assets(Net) & Capital Work In Progress	(38,365,932)		(58,832,107)	
Interest Received	703,038	(37,662,894)	107,103	(58,725,004)
Net Cash Flow from Investing Activities		(37,662,894)		(58,725,004)
C) Cash Flow from Financing Activities				
Long Term Borrowings received / (repayment)	(115,800,000)		206,500,000	
Proceeds from allotment of Share Capital	124,500,000		-	
Share Application money received / (repayment)	-	8,700,000	(92,000,000)	114,500,000
Net Cash flow from Financing Activities		8,700,000		114,500,000
Net Increase/(Decrease) in Cash & Cash Equivalents		(30,377,023)		32,315,725
Cash and Cash equivalents at the beginning of the year		32,325,610		9,885
Cash and Cash equivalents at the end of the year		1,948,587		32,325,610

Notes :

1) Cash Flow Statement is prepared by the indirect method as set out in Accounting Standard - 3 on Cash Flow Statement.

Place : Kolkata
Dated : 30th June, 2009

As per our report of even date
For **Lodha and Co.**
Chartered Accountants
H. S. Jha
Partner

For and on Behalf of the
Board of Directors
S. Saraf, Director
L. K. Sadani, Director
A. K. Chowdhary, Director

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

(a) **Registration Details**

Registration No.	U40100WB2005PLC116955	State Code :	21
Balance Sheet Date	31.03.2009		

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

Public Issue	–	Right Issue	–
Bonus Issue	–	Private Placement	124,500

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

Total Liabilities	235,700	Total Assets	235,700
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Source of Funds

Paid-up Capital	125,000
Reserve & Surplus	–
Secured Loans	–
Unsecured Loans	110,700

Application of Funds

Net Fixed Assets	232,567
Investments	–
Net Current Assets	2,368
Misc. Expenses	7
Accumulated Losses	758

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

Turnover	703
Total Expenditure	1,112
Profit/(Loss) Before Tax	(409)
Profit/(Loss) After Tax	(51)
Earnings per share in Rs.	
Basic & Diluted	(4.69)
Dividend rate %	–

(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
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Figures in rupees have been rounded off to the nearest thousands.

Place : Kolkata
Dated : 30th June, 2009

For and on Behalf of the
Board of Directors
S. Saraf, Director
L. K. Sadani, Director
A. K. Chowdhary, Director



AUDITORS' REPORT TO THE MEMBERS

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

1. We have audited the attached Consolidated Balance Sheet of Energy Development Company Limited ("the Company"), its subsidiary and Associate as at 31st March 2009 and the Consolidated Profit and Loss Account 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. We did not audit the financial statements of an associates of the Company, which reflect the Group's share of net profit of Rs. 1,003, which was audited by the other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of such associate, is based solely on the reports of the other auditors.
4. 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" and Accounting Standard 23 "Accounting for Investments in Associates in the Consolidated Financial Statements", on the basis of the separate audited financial statements of the Company, its subsidiary and associates included in the consolidated financial statements.
5. On the basis of the information and explanations given to us, we are of the opinion that the said 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 2009;
 - 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 Group for the year ended on that date.

Place: Kolkata

Date : 30th June, 2009

For Lodha & Co.
Chartered Accountants

H. S. Jha
Partner

Membership No. : 55854



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	As at 31st March 2009 Rs.	As at 31st March 2008 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	275,000,000	275,000,000
Share Warrant (Refer Note 9 of Schedule 16B)		124,000,000	70,000,000
Reserves & Surplus	2	726,943,368	591,924,094
LOAN FUNDS			
Secured Loans	3	59,794,395	250,085
Unsecured Loan	4	410,507,866	156,500,000
DEFERRED TAX LIABILITY (Refer Note No 5 of Schedule 16B)		48,033,929	22,766,441
TOTAL		1,644,279,558	1,116,440,620
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	1,079,058,735	583,230,882
Less : Depreciation		226,337,502	187,951,626
Net Block		852,721,233	395,279,256
Capital Work-in-Progress		679,892,978	636,754,537
INVESTMENTS	6	22,863,003	54,057,225
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories 7		6,360,456	6,103,659
Sundry Debtors	8	703,393,466	101,786,805
Cash and Bank Balances	9	39,177,640	88,353,017
Other Current Assets		570	602,803
Loans and Advances	10	114,125,670	100,493,469
		863,057,802	297,339,753
LESS : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	11	680,147,101	188,496,635
Provisions	12	94,108,357	78,493,515
		774,255,458	266,990,150
NET CURRENT ASSETS		88,802,344	30,349,602
TOTAL		1,644,279,558	1,116,440,620
Significant Accounting Policies & Notes to the Accounts	16		

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

As per our report of even date
For **Lodha and Co.**
Chartered Accountants
H. S. Jha
Partner

Place : Kolkata
Dated : 30th June, 2009

For and on Behalf of the Board of Directors
Sanjiv Saraf, Executive Director
Gouri Prasad Goenka, Director
Harshavardhan Neotia, Director
Sanjay Kumar Gupta, Director
Sunoo Bahri, Dy. Company Secretary



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Year ended 31st March 2009 Rs.	Year ended 31st March 2008 Rs.
INCOME			
Sales/Income from Operations		1,172,362,388	657,417,807
Other Income	13	6,187,278	6,130,329
		<u>1,178,549,666</u>	<u>663,548,136</u>
EXPENDITURE			
Cost of Materials		810,626,686	331,682,338
Operating, Administrative & Other Expenses	14	99,302,053	90,096,734
		<u>909,928,739</u>	<u>421,779,072</u>
Profit before interest, depreciation & tax		268,620,927	241,769,064
Interest & Finance Charges	15	5,927,568	4,316,115
Profit before depreciation & tax		262,693,359	237,452,949
Depreciation		38,388,975	27,466,301
Profit before tax		224,304,384	209,986,648
Provision for tax			
- Current Income Tax		31,135,000	23,500,000
- Income tax for earlier years		-	(32,826)
- Fringe Benefit Tax		710,000	535,000
- Deferred Tax		25,267,488	22,653,376
		<u>57,112,488</u>	<u>46,655,550</u>
Profit after tax		167,191,896	163,331,098
Add: Share of Profit in Associate		1,003	-
Profit after tax and after adjustment for Profit in Associate		167,192,899	163,331,098
Profit/(Loss) Brought Forward From Previous year		241,924,094	111,061,686
Profit Available For Appropriation		<u>409,116,993</u>	<u>274,392,784</u>
Appropriations			
Proposed Dividend		27,500,000	27,500,000
Tax on Proposed Dividend		4,673,625	4,673,625
Balance Carried to Balance Sheet		376,943,368	242,219,159
		<u>409,116,993</u>	<u>274,392,784</u>
Earning Per Share			
- Basic		6.08	5.94
- Diluted		5.04	5.78

Significant Accounting Policies & Notes to the Accounts

16

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

As per our report of even date
For **Lodha and Co.**
Chartered Accountants
H. S. Jha
Partner

Place : Kolkata
Dated : 30th June, 2009

For and on Behalf of the Board of Directors
Sanjiv Saraf, Executive Director
Gouri Prasad Goenka, Director
Harshavardhan Neotia, Director
Sanjay Kumar Gupta, Director
Sunoo Bahri, Dy. Company Secretary



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31st March 2009 Rs.	As at 31st March 2008 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		
Securities Premium	<u>350,000,000</u>	<u>350,000,000</u>
	<u>350,000,000</u>	<u>350,000,000</u>
Profit & Loss Account	<u>376,943,368</u>	<u>242,219,159</u>
Less : Adjustments pertaining to employee benefits pursuant to the transitional provisions of Accounting Standard 15 (Revised) : Employee Benefits	-	295,065
	<u>376,943,368</u>	<u>241,924,094</u>
	<u>726,943,368</u>	<u>591,924,094</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 and machineries, furniture & fixtures Vehicles, Computers and other accessories, etc., stored or to be stored at the premises / godowns of the company's contract division and also all present and future book debts, outstanding monies, receivables, claims, bills, etc., and equitable mortgage of immovable properties at 9MW Harangi Hydro Electric Project)	<u>59,726,223</u>	-
Vehicle Loan - From Bank (Secured by Hypothecation of respective vehicles financed from bank)	<u>68,172</u>	<u>250,085</u>
	<u>59,794,395</u>	<u>250,085</u>
SCHEDULE 4		
UNSECURED LOANS		
From Bodies Corporate	<u>410,507,866</u>	<u>156,500,000</u>
	<u>410,507,866</u>	<u>156,500,000</u>



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE 5

FIXED ASSETS

Amount
(Rs.)

Name of the Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as at 01.04.2008	Additions	Deductions	Cost as at 31.03.2009	As at 01.04.2008	During the year	Deduction/ Adjustments	Up to 31.03.2009	As at 31.03.2009	As at 31.03.2008
(A) Tangible Assets										
Freehold Land	208,300	15,746,222	-	15,954,522	-	-	-	-	15,954,522	208,300
Leasehold Land *	-	-	-	-	-	-	-	-	-	-
Office Premises	18,641,250	-	-	18,641,250	1,851,485	839,488	-	2,690,973	15,950,277	16,789,765
Buildings and Roads	14,628,643	64,050,633	-	78,679,276	4,038,839	1,235,335	-	5,274,174	73,405,102	10,589,804
Plant & Machinery	271,873,420	159,877,661	-	431,751,081	106,729,427	15,104,409	-	121,833,836	309,917,245	165,143,993
Hydraulic Works	117,486,445	148,557,473	-	266,043,918	45,708,588	7,854,475	-	53,563,063	212,480,855	71,777,857
Transmission Lines, Transformers, Cable Network, etc**	44,197,169	14,024,584	-	58,221,753	17,253,426	2,235,404	-	19,488,830	38,732,923	26,943,743
Office Equipment	1,976,439	310,524	3,100	2,283,863	1,175,376	361,079	3,099	1,533,356	750,507	801,063
Furniture and Fixtures	2,206,583	649,080	-	2,855,663	1,234,759	307,425	-	1,542,184	1,313,479	971,824
Motor Vehicle ***	18,929,998	527,576	-	19,457,574	7,419,094	3,032,189	-	10,451,283	9,006,291	11,510,904
Windmill****	92,767,000	92,000,000	-	184,767,000	2,480,042	7,325,985	-	9,806,027	174,960,973	90,286,958
(B) Intangible Assets										
Goodwill	141,448	-	-	141,448	12,916	28,290	-	41,206	100,242	128,532
Computer Software	174,187	87,200	-	261,387	47,674	64,896	-	112,570	148,817	126,513
TOTAL	583,230,882	495,830,953	3,100	1,079,058,735	187,951,626	38,388,975	3,099	226,337,502	852,721,233	395,279,256
Previous Year	486,604,284	96,642,898	16,300	583,230,882	160,500,411	27,466,301	15,086	187,951,626	395,279,256	

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 1,000/-.

** 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.

*** Motor Vehicles includes Rs.1,205,854 (Gross Block) hypothecated against the loan taken for purchasing the said vehicles.

**** Windmill includes Leasehold Land of Rs.3,600,000. (Previous Year-Rs.1,800,000).



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31st March 2009 Rs.	As at 31st March 2008 Rs.
SCHEDULE 6		
INVESTMENTS		
(Other than Trade)(At cost unless otherwise stated)		
Long Term		
Shares in Associate Company (Unquoted)		
Dhanashree Projects Private Limited 497,000 (NIL)		
Equity Shares of Rs.10/- each fully paid - up		
(Cost of acquisition including capital reserve of Rs.561,901/-)	22,862,000	
Add : Share of Profit	1,003	-
	<u>22,863,003</u>	<u>-</u>
	<u>22,863,003</u>	<u>-</u>
Current		
Mutual Funds (Unquoted)		
Standard Chartered Arbitrage Fund - Plan B - Growth	-	34,000,000
NIL (3044330.829) units of Rs.11.1683 each		
Templeton India Ultra Short Bond Fund - Institutional Plan -		
Reinvestment - NIL (2002058.701) units of Rs.10.0183 each	-	20,057,225
	<u>-</u>	<u>54,057,225</u>
	<u>22,863,003</u>	<u>54,057,225</u>
Aggregate amount of Investments in Shares & Mutual Funds	22,863,003	54,057,225
Aggregate amount of Current investments - At Cost	-	54,057,225
Aggregate amount of Current investments - At Net Assets Value	-	54,344,314
SCHEDULE 7		
INVENTORIES		
(as taken valued and certified by the management)		
Stores, Spares and Consumables	6,360,456	6,103,659
	<u>6,360,456</u>	<u>6,103,659</u>
SCHEDULE 8		
SUNDRY DEBTORS		
(Unsecured - Considered Good unless otherwise stated)		
Outstanding for a period of more than six months	54,629,530	58,209,219
Other Debts	648,763,936	43,577,586
	<u>703,393,466</u>	<u>101,786,805</u>
SCHEDULE 9		
CASH & BANK BALANCES		
Cash & cheques in hand	130,892	78,661
Balance with Scheduled Banks		
- on Current Accounts	4,724,359	44,694,117
- on Unpaid Dividend Account	148,389	69,487
- on Margin Money Accounts (under lien)	34,174,000	43,510,752
	<u>39,177,640</u>	<u>88,353,017</u>



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31st March 2009 Rs.	As at 31st March 2008 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)	30,703,218	58,437,923
Security Deposits	31,160,283	959,317
Advance Income Tax including Tax Deducted at Source	50,551,269	39,950,470
Advance Fringe Benefit Tax	1,710,900	1,145,759
	<u>114,125,670</u>	<u>100,493,469</u>
SCHEDULE 11		
CURRENT LIABILITIES		
Sundry Creditors (Refer Note 4 of Schedule16B)	633,786,247	118,136,595
Advance Received from Customers	21,622,936	65,806,808
Unclaimed Dividend (*)	148,621	69,719
Book Overdraft	7,714,737	-
Other Liabilities	16,874,560	4,483,513
	<u>680,147,101</u>	<u>188,496,635</u>
(*) There is no amount due and outstanding to be credited to Investor Education and Protection Fund.		
SCHEDULE 12		
PROVISIONS		
Provision for Income Tax	57,938,515	44,000,000
Provision for Fringe Benefit Tax	1,724,763	1,275,109
Provision for Proposed Dividend	27,500,000	27,500,000
Provision for Dividend Distribution Tax	4,673,625	4,673,625
Provision for Leave Encashment	1,729,000	1,005,000
Provision for Gratuity	542,454	39,781
	<u>94,108,357</u>	<u>78,493,515</u>



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	Year Ended 31st March 2009 Rs.	Year Ended 31st March 2008 Rs.
SCHEDULE 13		
OTHER INCOME		
Profit on sale of Current Investments	2,282,156	935,692
Profit on sale of Fixed Assets(Net)	1,099	-
Interest received (Gross of Tax deducted at source Rs.685,453) (Previous Year Rs.409,195)	3,380,165	3,435,351
Dividend on Current Investments	523,858	1,686,036
Miscellaneous Income	-	73,250
	<u>6,187,278</u>	<u>6,130,329</u>
SCHEDULE 14		
OPERATING, ADMINISTRATIVE & OTHER EXPENSES		
Cost of Power Purchased	908,933	655,869
Stores and Spares consumed	989,486	631,725
Contract, Consultancy and Service Charges	42,920,623	53,836,286
Rent	5,222,660	1,877,450
Repairs & Maintenance :		
Plant & Machinery	1,549,752	141,921
Others	394,380	59,776
Salary & Allowances	21,090,471	15,547,166
Contribution to Provident fund & other funds	296,919	238,063
Staff Welfare Expenses	1,217,911	814,239
Insurance	1,384,548	1,418,800
Rates & Taxes	1,568,588	891,331
Travelling & Conveyance Expenses	5,373,231	4,346,039
Payment to Auditors		
- Statutory Audit	140,000	135,328
- Tax Audit	25,000	25,000
- Other Services	15,000	29,000
Legal & Professional Charges	6,676,292	4,439,797
Security Services.	1,109,206	704,896
Telephone, Fax, Postal etc.	1,770,830	966,418
Vehicle Running Expenses	1,238,708	560,322
Directors Meeting Fees	77,500	75,000
General Expenses	5,332,015	2,702,243
Loss on Sale of Fixed Assets (Net)	-	64
	<u>99,302,053</u>	<u>90,096,734</u>
SCHEDULE 15		
INTEREST AND FINANCE CHARGES		
Interest Paid :		
On Cash-Credit	653,625	257,215
On Others	10,575	23,705
	<u>664,200</u>	<u>280,920</u>
Finance Charges	5,263,368	4,035,195
	<u>5,927,568</u>	<u>4,316,115</u>



CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS.

(A) ACCOUNTING POLICIES

1. Principles of Consolidation

The Consolidated Financial Statements of Energy Development Company Limited ("the Company") and the Subsidiary Company ("Subsidiary") have been prepared in accordance with Accounting Standard (AS 21) on "Consolidated Financial Statements" and Accounting Standard (AS 23) "Accounting for Investments in Associates in the 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 Subsidiary 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 subsidiary used in the consolidation is drawn upto 31st March 2009, 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.
- Investment in associate are valued and accounted for under equity method of accounting in accordance with AS 23. Under the said method, the investments are initially recorded at cost which includes goodwill / capital reserve arising at the time of acquisition and adjusted thereafter for the post acquisition change in the Company's share in the net assets of the investee company.

- a) The Subsidiary which has been included in this Consolidated Financial Statements along with the Company's holdings therein are under:

No.	Name of the Company	Country of Incorporation	% Voting Power
1.	Ayyappa Hydro Power Limited	India	100%

- b) The associate which has been included in this Consolidated Financial Statements along with the Company's holding therein are under :

No.	Name of the Company	Country of Incorporation	% Voting Power
1.	Dhanashree Projects Private Limited	India	49.70%

- c) As the audited accounts of the associate was not available as on the date on which acquisition was made by the Company for the purpose of consolidation, proportionate share have been taken from the accounts for the year ended 31.03.2009.

- d) Investments in Dhanashree Projects Private Limited (DTPL) associate have been accounted for under equity method of accounting as per AS 23 for the purpose of these consolidated financial statements.

- e) The particulars of investment as required in terms of AS 23 are as follows:

Name of the Associate	Voting Power (%)	Original Cost	Group's Profit upto 31st March 2009	Carrying Cost	Capital Reserve included in original cost
Dhanashree Projects Private Limited	49.70	22,862,000	1003	22,863,003	561,901

**2. General**

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.

3. Use of Estimates

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

4. Fixed Assets

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

5. Expenditure during Construction Period

Expenditure related to and incurred during implementation of capital project is included under Capital Work-in-progress and the same is allocated to the respective Fixed Assets on completion of its construction / erection. 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.

6. 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.

7. Investments

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

8. 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.

9. 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.

10. Impairment

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

11. Employee benefits

Employee 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.

12. Taxation

Provision for tax is made for current, deferred and fringe benefit 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 Generation Division (Harangi Unit) is not taxable for a period of ten consecutive financial years, with effect from the Financial Year 2002-03, since the company is engaged in infrastructure development. 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.

13. 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.

14. Provision, 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.

(B) NOTES TO THE ACCOUNTS

1. Estimated amount of contracts remaining to be executed on capital account (net of advances) Rs 285,870,090 (Previous year Rs.360,865,090/-).
2. 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 217,114,453 (Previous year Rs.417,514,453/-)
 - c. Pre-operative expenditure incurred during implementation of project as given below :

Particulars	As at 31.03.2009	As at 31.03.2008
Balance brought forward	57,989,869	23,618,889
Salaries and allowances	3,837,545	1,961,339
Contribution to Provident & Other Funds	24,684	33,555
Staff welfare expenses	497,741	297,151
Rent	1,392,900	51,300
Rates and Taxes	940,430	722,008
Insurance	237,662	1,267,315
Legal and Professional charges	1,004,729	6,252,013
Travelling and Conveyance expenses	6,131,594	3,003,362
Interest on Term Loan	13,241,368	14,487,945
Miscellaneous expenses	419,983	4,160,243
Repairs and Maintenance		2,134,749
Electricity & Gas Expenses	929,858	
Advertisement	298,000	
Less: Transferred to Fixed Assets as per note (d) below	41,023,816	
Balance Carried to Balance Sheet	45,922,547	57,989,869



- d. On completion of the project at Ulankal (Kerala), preoperative expenses have been allocated on proportionate basis. The total project value was allocated to various Fixed Assets based on an independent valuer's Report. The power plant of the subsidiary 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.
3. In the opinion of the management, the current assets, loans and advances have a value on realization in the ordinary course of business, at least equal to the amount at which these are stated in the Balance Sheet.
4. The Company has not yet received information from vendors regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under the Act has not been given.
5. The break-up of Deferred Tax Assets and Liabilities is follows:

	As on 1st April, 2008	Charge/(Credit) during the year	As on 31st March, 2009
Deferred Tax Assets			
Expenses allowed on Payment Basis	355,196	416,871	772,067
Deferred Tax Liabilities			
Depreciation Difference	23,121,637	25,684,359	48,805,996
Deferred Tax Liabilities (Net)	22,766,441	25,267,488	48,033,929

6. Related Party disclosures pursuant to Accounting Standard - 18 issued by the Institute of Chartered Accountants of India :

(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)	Subsidiary Company Ayyappa Hydro Power Limited
(c)	Associates Sarvottam Caps Limited Dhanashree Projects Private Limited

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

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
Transactions during the year –		
- Managerial Remuneration		
Mr. Amar Singh	4,800,000	4,800,000
Mr. Sanjiv Saraf	1,900,000	960,000
- Rent		
Mr. Amar Singh	360,000	560,000
Mrs. Pankaja Kumari Singh	300,000	200,000
Mr. Sanjiv Saraf	720,000	360,000
Mrs. Indira Saraf	420,000	420,000



Particulars	2008-09 (Rs.)	2007-08 (Rs.)
- Directors Sittings Fees		
Mrs. Pankaja Kumari Singh	15,000	20,000
Outstanding as at the year end		
- Security Deposit Given		
Mr. Amar Singh	300,000	300,000
Mrs. Pankaja Kumari Singh	300,000	300,000
Share Warrant - Money received		
Mr. Amar Singh	-	2,000,000
Mrs. Pankaja Kumari Singh	-	2,000,000
Mr. Sanjiv Saraf	-	400,000

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

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
Transactions during the year -		
Investment in Shares		
- Dhanashree Projects Private Limited	22,862,000	-
Unsecured Loan Received		
- Sarvottam Caps Limited	-	95,500,000
- Dhanashree Projects Private Limited	16,500,000	-
Interest paid		
- Sarvottam Caps Limited	6,650,000	8,038,356
- Dhanashree Projects Private Limited	65,753	-
Outstanding as at the year end		
- Sarvottam Caps Limited	71,780,100	-
- Dhanashree Projects Private Limited	16,552,208	-

Note :

In respect of above parties, there is no provision for doubtful debts as on 31st March 2009 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.

7. 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	
	2008-09 (Rs.)	2007-08 (Rs.)	2008-09 (Rs.)	2007-08 (Rs.)	2008-09 (Rs.)	2007-08 (Rs.)
Revenue :						
External sales	110,004,240	109,971,467	1,062,358,148	547,446,340*	1,172,362,388	657,417,807
Result :						
Segments	62,883,502	80,959,743	191,573,725	148,874,690	254,457,227	229,834,433
Less : Interest and Finance Charges					5,927,568	4,316,114
Less : Other common expenses(net)					24,225,275	15,531,671
Total Profit Before Tax					224,304,384	209,986,648
Provisions For Tax					57,112,488	46,655,550
Profit After Tax					167,191,896	163,331,098
Segments Assets	1,565,574,213	821,699,520	704,380,477	169,572,631	2,269,954,690	1,185,601,903
Unallocable Corporate Assets					148,580,326	197,828,867
TOTAL					2,418,535,016	1,383,430,770
Segments Liabilities	424,732,480	33,415,317	650,171,764	151,682,820	1,074,904,244	341,657,989
Unallocable Corporate Liabilities					1,343,630,772	1,041,772,781
TOTAL					2,418,535,016	1,383,430,770

*Sales/Income from operations includes Rs. 169,213,805 (Previous Year Rs.19,22,32,324/-) 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.

8. Earning Per Share (EPS) :

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
A. Basic Earning per share has been computed as under:		
(a) Profit after tax	167,281,373	163,337,176
(b) Weighted Average Number of Equity Shares issued (Nos.)	27,500,000	27,500,000
(c) Basic Earning per share on profit after tax	6.08	5.94
B. Diluted Earning per share has been computed as under:		
(a) Profit after tax	167,856,190	163,337,176
(b) Weighted Average Number of Equity Shares issued (Nos.)	275,00,000	275,00,000
Add :Equity Shares that would have been issued on conversion of Warrant.	5,702,740	736,339
Total	33,202,740	28,236,339
(c) Diluted Earning per share on profit after tax	5.04	5.79

9. During the year the Company has allotted 4,000,000 (Previous year 3,500,000) warrants amongst promoters and independent investors on preferential basis, with an option to the warrant holders to acquire for every warrant, one fully paid up Equity Shares of Rs.10/- each of the Company for cash, at a price of Rs.135/- (Previous Year Rs.200/-) per equity share. In compliance to the requirement of this issue, the Company has received application money at Rs 13.50 (Previous year Rs.20/-) from the allottees of the warrant aggregating to Rs. 54,000,000 (Previous year Rs.70,000,000) which will be adjusted and appropriated against the price of equity shares, payable by the warrant



holders, at the time of exercising the option. All the monies raised through these preferential issues have been fully utilized for the purposes mentioned in the objects of these issues, in the respective notices and nothing remain unutilized.

10. a) The draft Power Purchase Agreement (PPA) with the Kerala State Electricity Board (KSEB) including tariff are under review by the Kerala State Electricity Regulatory Commission (KSERC). Pending approval, the revenue from 7MW Ullankal Hydro Project has been booked :
- On 11,95,500 units @ Rs.0.25 per unit, being infirm power (as per draft PPA); and
 - On 39,35,200 units @ Rs.2.44 per unit being firm power, as approved by KSERC in respect of which a review petition is pending before the KSERC.
- Necessary adjustments, if any, arising out of variation in tariff and units of firm/infirm power, shall be carried out in subsequent period.
- b) The Power Purchase Agreement (PPA) with Bangalore Electric Supply Company is yet to be signed. Pending approval, the revenue from the 1.5 MW Wind Mill at Chitradurga has been booked on 4,73,935 units @ Rs.3.40 per unit based on the rate approved by the Karnataka State Electricity Regulatory Commission (KSERC).
11. The 1.5 MW windmill at Elkumahalli, Karnataka has commenced on 30.09.2008. Further, commercial production from 7MW Ullankal Hydro Electric project command on and from 13th November 2008. Hence previous year's figures are not strictly comparable. Previous year's figures have been regrouped and rearranged wherever considered necessary.

Place : Kolkata
Dated : 30th June, 2009

As per our report of even date
For **Lodha and Co.**
Chartered Accountants
H. S. Jha
Partner

For and on Behalf of the Board of Directors
Sanjiv Saraf, *Executive Director*
Gouri Prasad Goenka, *Director*
Harshavardhan Neotia, *Director*
Sanjay Kumar Gupta, *Director*
Sunnoo Bahri, *Dy. Company Secretary*

**CONSOLIDATED CASH FLOW STATEMENT** FOR THE YEAR ENDED 31.03.2009

Particulars	For the year ended 31.03.2009		For the year ended 31.03.2008	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
A) Cash Flow From Operating Activities:				
Profit/ (Loss) before taxation		224,304,384		209,986,648
Adjustments for :				
Depreciation	38,388,975		27,466,301	
Amortisation of Stores, Spares & Tools	309,063		309,911	
Interest & Finance Charges	5,927,568		4,316,114	
(Profit)/Loss on Sale of Fixed Assets(Net)	(1,099)		64	
(Profit)/Loss on Sale of Current Investment(Net)	(2,282,156)		(935,692)	
Interest	(3,380,165)		(3,435,351)	
Dividend on current investments	(523,858)	38,438,328	(1,686,036)	26,035,311
Operating Profit before Working Capital Changes		262,742,712		236,021,959
Adjustments for :				
(Increase)/Decrease in Inventory	(565,861)		(527,874)	
(Increase)/Decrease in Trade and Other receivables	(604,072,922)		140,505,923	
Increase/(Decrease) in Trade and Other payables	492,877,139	(111,761,644)	(119,369,219)	20,608,830
Cash generated from operations		150,981,068		256,630,789
Direct Taxes paid (Net of refund)		(28,622,771)		(26,946,792)
Net Cash Flow from Operating Activities		122,358,297		229,683,997
B) Cash Flow from Investing Activities				
Purchase and Sale of Fixed Assets(Net)		(495,829,853)		(96,641,748)
Capital Work In Progress		(43,138,441)		(225,620,739)
Purchase of shares in Associate Company		(22,862,000)		-
Purchase and Sale of Investments (Others)(Net)		56,339,381		(17,500,747)
Interest Received		3,982,398		2,971,719
Dividend Received		523,858		1,686,036
Net Cash Flow from Investing Activities		(500,984,657)		(335,105,479)
C) Cash Flow from Financing Activities				
Proceeds of Share Warrants		54,000,000		70,000,000
Proceeds from / (repayments) of borrowings		313,552,176		136,300,529
Interest & Finance Charges		(5,927,568)		(4,316,114)
Dividend Paid		(27,500,000)		(27,500,000)
Dividend Distribution Tax Paid		(4,673,625)		(4,673,625)
Net Cash Flow from Financing Activities		329,450,983		169,810,790
Minority Interest		-		(49,639,090)
Net Increase/(Decrease) in Cash & Cash Equivalents		(49,175,377)		14,750,218
Cash and Cash equivalents at the beginning of the year		88,353,017		73,602,799
Cash and Cash equivalents at the end of the year		39,177,640		88,353,017

Notes :

- 1) Cash and Bank Balance as on 31.03.2009 includes Rs.34,174,000/- (Previous Year Rs.43,510,752/-) 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 and Co.**
Chartered Accountants
H. S. Jha
Partner

Place : Kolkata
Dated : 30th June, 2009

For and on Behalf of the Board of Directors
Sanjiv Saraf, Executive Director
Gouri Prasad Goenka, Director
Harshavardhan Neotia, Director
Sanjay Kumar Gupta, Director
Sunnoo Bahri, Dy. Company Secretary