

INDEPENDENT AUDITORS' REPORT**To the Members of Arunachal Hydro Power Limited****Report on the Consolidated Financial Statements**

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

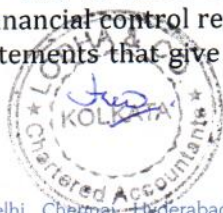
Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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



design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the period ended on that date.

Emphasis of Matter

We draw attention to Note 9 to the financial statements which describes that various subsidiaries are setting up hydel power plants wherein project survey, geological investigation and formulation of Detailed Project Report (DPR) and other allied works are under progress. Pending approval of DPR and determination of viability thereof, administrative and other expenses including finance cost incurred by these subsidiaries aggregating to ₹ 20,199.06 lacs are being carried forward as pre-operative expenses under Capital Work In Progress in the financial statements of these subsidiaries. Adjustments in this respect or allocation thereof to the project cost etc. will be carried out on determination of implementation status of the project.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;



- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company and subsidiary companies as on March 31, 2015, taken on record by the respective Board of Directors, none of the directors of the Group is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations as at the period end which would impact its financial position.
 - ii. The Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
 - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Kolkata
Date: 28th May, 2015



For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.:301051E

H.K. Verma

H.K.Verma
Partner
Membership No: 055104

Arunachal Hydro Power Limited
Annexure referred to in our report of even date

- i) The Group has no fixed assets and accordingly, the provisions of clause 3 (i) of the order are not applicable to the group.
- ii) The Group has no inventory and accordingly, the provisions of clause 3 (ii) of the order are not applicable to the group.
- iii) According to information and explanations given to us the group has given unsecured loans to one company listed in the register maintained under Section 189 of the Act.
 - (a) According to the information and explanations given to us, the principal amount is repayable on demand and have not been recalled. Interest on aforesaid loan were not due for payment.
 - (b) As informed to us, having regard to terms and conditions of the loan as mentioned above, there is no overdue amount outstanding in respect of such loan and interest there on.
- iv) The Group has no purchase of inventories and fixed assets or any sale of goods and accordingly, the provisions of Clause 3 (iv) of the Order are not applicable to the Group.
- v) The Group has not accepted any deposits from the public and accordingly, the provisions of Section 73 to 76 or any other relevant provisions of the Act are not applicable.
- vi) Since the Group has not commenced its operations, the requirement for maintenance of cost records as prescribed by the Central Government under section 148(1) of the Act, is not applicable to the group.
- vii) (a) According to the information and explanations given to us, except with respect to professional tax, the Group is generally regular in depositing with the appropriate authorities undisputed statutory dues of tax deducted at source and service tax. There are no undisputed amounts payable in respect of aforesaid dues for a period of more than six months from the date they become payable except Rs. 15,845 in respect of professional tax. Other statutory dues like Provident Fund, Investor Education & Protection Fund, Employee's State Insurance, Sales Tax, Income Tax, Wealth Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, etc. are not applicable to the group during the period.
 - (b) According to the information and explanations given to us and read with para (a) there are no dues that have not been deposited with the appropriate authority on account of any disputes.
 - (c) According to the information and explanations given to us, there are no amounts due to be transferred to Investor Education and Protection Fund.
- viii) The Group has been registered for a period of less than five years. Accordingly the provisions of clause 3 (viii) of the order related to accumulated losses at the end of the period and cash losses in the financial period are not applicable to the Group.



- ix) The Group has no amounts due to financial institutions, debenture holders or bank. Accordingly the provisions of clause 3 (ix) of the order are not applicable to the group.
- x) According to the information and explanations given to us, the Group has not given any guarantee for loans taken by others from banks or financial institutions and as such the provisions of clause 3 (x) of the Order is not applicable to the group.
- xi) The Group has not obtained any term loan and as such the provisions of clause 3 (xi) of the Order is not applicable to the group.
- xii) During the course of our examinations of the books of accounts carried out in accordance with the generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Group, nor have we been informed of any such case by the management.

Place: Kolkata
Date: 28th May, 2015



For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.:301051E

H.K. Verma

H.K.Verma

Partner

Membership No: 055104

ARUNACHAL HYDRO POWER LIMITED
Consolidated Balance Sheet as at 31st March, 2015

		Amount in ₹
Particulars	Note No	As at 31st March 2015
<u>EQUITY AND LIABILITIES</u>		
Shareholders' Funds		
Share Capital	2	1,49,55,00,000
Reserves and Surplus	3	(1,50,14,302)
		1,48,04,85,698
Minority Interest		14,50,62,555
Cumulative Redeemable Preference shares (Issued by subsidiaries outside the group)		33,50,00,000
Non-Current Liabilities		
Long-term borrowings	4	70,69,763
Long term provisions	5	4,89,000
		75,58,763
Current Liabilities		
Trade payables	6	2,65,66,250
Other current liabilities	7	7,17,57,058
Short-term provisions	8	1,01,000
		9,84,24,308
Total		2,06,65,31,324
<u>ASSETS</u>		
Non-current assets		
Fixed assets		76,04,632
- Goodwill on Consolidation		2,03,09,28,570
- Capital Work-in-progress	9	2,03,85,33,202
Current assets		
Cash and bank balances	10	2,71,21,017
Short-term loans and advances	11	8,77,105
		2,79,98,122
Total		2,06,65,31,324
Significant Accounting Policies	1	
The accompanying notes(1-21) form an integral part of financial statements.		

As per our Report of even date
For **Lodha & Co.**
Chartered Accountants


H K Verma
Partner




Place : Kolkata
Dated : 28th May, 2015

For and on behalf of the Board of
Directors




Directors


Pritika Chaudhary
Company Secretary

ARUNACHAL HYDRO POWER LIMITED

Consolidated Statement of Profit and Loss for the period 1st July, 2014 to 31st March, 2015

Amount in ₹

Particulars	Note No	For the Period 1st July, 2014 to 31st March, 2015
Revenue :		
Revenue from operations		-
Other Income	12	1,137
Total Revenue		1,137
Expenses:		
Employee benefits expense	13	1,26,32,023
Finance costs	14	7,36,66,405
Other expenses	15	7,13,23,721
		15,76,22,149
Less : Expenditure transferred to Capital Work- In- Progress		(14,23,56,426)
Total Expenses		1,52,65,723
Profit /(Loss) before tax for the period		(1,52,64,586)
Tax expense:		
- Current tax		-
- Deferred tax		-
		-
Profit/(Loss) after tax for the period		(1,52,64,586)
Share of minority		(3,01,420)
Net Profit taken to consolidation		(1,49,63,166)
Earnings per equity share of ₹10 each fully paid up	18	
- Basic & Diluted		(96.93)
Significant Accounting Policies	1	
The accompanying notes(1-21) form an integral part of financial statements.		

As per our Report of even date

For **Lodha & Co.**
Chartered Accountants

H K Verma

H K Verma
Partner

Place : Kolkata
Dated : 28th May, 2015



For and on behalf of the Board of Directors

Rishi Chaudhary

Directors

Rishi Chaudhary
Company Secretary

ARUNACHAL HYDRO POWER LIMITED

Note 1

SIGNIFICANT ACCOUNTING POLICIES

1.1 Principles of Consolidation

a) The Consolidated Financial Statements of Arunachal Hydro Power Limited ("the Company") and its Subsidiary Companies have been prepared in accordance with Accounting Standard (AS 21) on "Consolidated Financial Statements". The basis of preparation of the Consolidated Financial Statements is as follows:

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

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

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

- Equity share capital of the subsidiaries held by the Holding Company i.e. Energy Development Company Limited has been shown under Minority Interest. Minority's share in the net assets of the subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and Equity. Minority's share of profit/loss of subsidiaries for the period is identified and adjusted against the revenue of the Group.

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

Sl No.	Name of the Company	% of holdings	
		As at 31st March 2015	with effect from
1	EDCL Arunachal Hydro Projects Pvt. Ltd.	99.01%	14.03.2015
2	EDCL Seppa Beyong Hydro Electric Pvt. Ltd.	84.91%	24.03.2015
3	EDCL Seppa Dhunko Hydro Electric Pvt. Ltd.	90.87%	17.03.2015
4	EDCL Seppa Jung Power Pvt. Ltd.	80.58%	17.03.2015
5	EDCL Seppa Kawa Power Pvt. Ltd.	80.95%	17.03.2015
6	EDCL Seppa Lada Hydro Electric Pvt. Ltd.	84.91%	17.03.2015
7	EDCL Seppa Marjingla Hydro Electric Pvt. Ltd.	91.21%	24.03.2015
8	EDCL Seppa Nire Hydro Electric Pvt. Ltd.	75.00%	17.03.2015
9	EDCL Seppa Pachuk Power Pvt. Ltd.	93.89%	17.03.2015
10	EDCL Seppa Rieng Power Pvt. Ltd.	94.56%	14.03.2015
11	EDCL Tawang Lower Tsachu Hydro Electric Pvt. Ltd.	99.58%	14.03.2015
12	EDCL Tawang Power Pvt. Ltd.	99.64%	14.03.2015
13	EDCL Tawang Upper Tsachu Hydro Electric Pvt. Ltd .	98.48%	14.03.2015



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

SI No.	Name of the Company	Net Assets		Share in profit or loss	
		As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount
		As at 31st March 2015	As at 31st March 2015	For the Period 1st July, 2014 to 31st March, 2015	For the Period 1st July, 2014 to 31st March, 2015
1	Arunachal Hydro Power Limited	75.69%	1,48,40,22,345	76.36%	(1,14,26,519)
2	EDCL Arunachal Hydro Power Ltd.	0.002%	35,163	0.41%	(61,343)
3	EDCL Seppa Beyong Hydro Electric Pvt. Ltd.	3.03%	5,94,82,724	1.55%	(2,32,051)
4	EDCL Seppa Dhunko Hydro Electric Pvt. Ltd.	3.03%	5,94,02,067	2.33%	(3,48,617)
5	EDCL Seppa Jung Power Pvt. Ltd.	2.53%	4,95,71,240	0.83%	(1,23,938)
6	EDCL Seppa Kawa Power Pvt. Ltd.	3.04%	5,95,26,187	1.14%	(1,70,044)
7	EDCL Seppa Lada Hydro Electric Pvt. Ltd.	3.03%	5,94,86,129	1.53%	(2,28,952)
8	EDCL Seppa Marjingla Hydro Electric Pvt. Ltd.	3.03%	5,93,84,023	2.46%	(3,68,077)
9	EDCL Seppa Nire Hydro Electric Pvt. Ltd.	1.51%	2,95,62,154	0.56%	(84,527)
10	EDCL Seppa Pachuk Power Pvt. Ltd.	3.02%	5,92,61,541	3.38%	(5,06,433)
11	EDCL Seppa Rieng Power Pvt. Ltd.	2.02%	3,95,14,793	1.21%	(1,80,893)
12	EDCL Tawang Lower Tsachu Hydro Electric Pvt. Ltd.	0.02%	3,59,472	3.25%	(4,86,362)
13	EDCL Tawang Power Pvt. Ltd.	0.01%	2,84,262	3.76%	(5,61,880)
14	EDCL Tawang Upper Tsachu Hydro Electric Pvt. Ltd.	0.03%	6,56,152	1.23%	(1,83,530)
	Total		1,96,05,48,253		(1,49,63,166)



ARUNACHAL HYDRO POWER LIMITED

1.2 Basis of preparation of financial statements

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

1.3 Use of Estimates

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

1.4 Revenue Recognition

All expenses and revenue to the extent considered payable and receivable respectively unless specifically stated to be otherwise are accounted for on mercantile basis.

1.5 Expenditure during Construction Period

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

1.6 Borrowing Costs

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

1.7 Employee Benefit Expenses

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

Long term employee benefits under defined benefit scheme such as contribution to gratuity, leave etc. are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gains and losses are recognised in the year when they arise.

1.8 Leases

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

1.9 Taxation

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

1.10 Provisions, Contingent Liabilities and Contingent Assets

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



ARUNACHAL HYDRO POWER LIMITED

Particulars	As at 31st March 2015
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Note 2

SHARE CAPITAL

Authorised

500,000 Equity shares of ₹ 10/- each	50,00,000
1,49,50,000 8% Non-Cumulative Redeemable Preference Shares of ₹ 100/- each	1,49,50,00,000
	1,50,00,00,000

Issued, Subscribed and Paid-up

50,000 Equity shares of ₹ 10/- each	5,00,000
1,49,50,000 8% Non-Cumulative Redeemable Preference Shares of ₹ 100/- each (*)	1,49,50,00,000
	1,49,55,00,000

(*) Redeemable within 20 years from the date of allotment i.e., -
 31,00,000 shares allotted on 13.03.2015
 31,00,000 shares allotted on 17.03.2015
 7,50,000 shares allotted on 19.03.2015
 4,00,000 shares allotted on 20.03.2015
 31,00,000 shares allotted on 23.03.2015
 23,00,000 shares allotted on 24.03.2015
 22,00,000 shares allotted on 26.03.2015

Reconciliation of outstanding number of Equity shares

Opening	50,000
Closing	50,000

Reconciliation of outstanding number of Preference shares

Opening	-
Add : Issued during the year	1,49,50,000
Closing	1,49,50,000

Shareholders holding more than 5% shares :-

a) Equity shares :	
- Energy Development Company Limited (Holding company)	50,000 (100 %)
b) Preference Shares :	
- Sarvottam Caps Private Limited	83,75,000 (56.02%)
- Startrack Vinimay Private Limited	65,75,000 (43.98%)

Rights, preferences and restrictions attaching to each classes of shares including restriction on the distribution of dividend and the repayment of capital :

a) The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity is entitled to one vote per share. The dividend, if any proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by them.

b) 8% Non Cumulative Preference Share would carry 8% Dividend on cumulative basis on outstanding unredeemed portion of the amount. In the event of liquidation of the Company before redemption of the said preference shares, the holders of these shares will have priority over equity shares in the payment of dividend and repayment of capital. The dividend, if any proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting.



ARUNACHAL HYDRO POWER LIMITED

Particulars	As at 31st March 2015
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Note 3

RESERVES AND SURPLUS

Surplus/(Deficit) in Statement of Profit & Loss

Opening	(51,136)
Add : Profit/(Loss) for the year transferred from Statement of Profit and Loss	(1,49,63,166)
	<u>(1,50,14,302)</u>

Note 4

LONG-TERM BORROWINGS

(Unsecured)

Loans and advances from related parties

From Holding Company (Refer Note 16)	70,69,763
	<u>70,69,763</u>

Terms of Repayment

These loans are repayable in the financial year 2016-17. Rate of Interest, wherever applicable, ranges between 12% to 15%.

Note 5

LONG-TERM PROVISIONS

Provision for leave encashment	2,35,000
Provision for Gratuity	2,54,000
	<u>4,89,000</u>

Note 6

TRADE PAYABLES

For Services (*)	2,65,66,250
	<u>2,65,66,250</u>

(*) Includes ₹ 1,09,000 payable to holding company (Refer Note 16)

Note: The Company does not have any amount payable to vendors covered under the Micro, Small and Medium Enterprises Development Act, 2006.

Note 7

OTHER CURRENT LIABILITIES

Interest accrued and due on borrowings	
- Holding Company	2,56,41,345
- Other Related Parties (*)	4,28,63,094
- Others	2,73,669
	6,87,78,108
Statutory Payables	29,78,950
	<u>7,17,57,058</u>

(*) Private company in which director is a director.

Note 8

SHORT- TERM PROVISIONS

Provision for leave encashment	1,01,000
	<u>1,01,000</u>



ARUNACHAL HYDRO POWER LIMITED

Particulars	As at 31st March 2015 ₹
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Note 9

CAPITAL WORK-IN-PROGRESS

Capital Work-in-Progress

2,03,09,28,570

2,03,09,28,570

a) Certain subsidiaries of the company on completion of prefeasibility report have been granted permission for setting up of certain hydel power plants, having aggregate capacity of 555 MW hydel power plant by the Government of Arunachal Pradesh. Project survey, geological investigation and formulation of Detailed Project Report (DPR) and other allied works are under progress. Pending approval of DPR and determination of viability thereof, administrative and other expenses including finance cost incurred by these subsidiaries are being carried forward as pre operative expenses under Capital Work In Progress in the financial statements of these subsidiaries. Adjustments in this respect or allocation thereof to the project cost etc. will be carried out on determination of implementation status of the project.

b) Capital Work- in -Progress includes pre-operative expenditure incurred during implementation of various projects in terms of (a) above are as given below :

Opening balance of subsidiaries acquired during the period	1,87,75,49,322
Salary & Perquisites	1,25,92,581
Rent	87,83,498
Rates & Taxes	50,69,523
Legal & Professional Charges	3,50,17,030
Travelling & Conveyance	46,35,817
Interest on Unsecured Loans (*)	7,35,15,604
Other Borrowing Cost	1,50,801
Miscellaneous expenses	24,77,196
Project development expenses	1,14,377
Balance carried Forward	2,01,99,05,749

(*) [Includes ₹ 2,84,90,385 /- paid to Holding Company (Refer Note 16)]

Note 10

CASH AND CASH EQUIVALENTS

Balance with Banks

- On Current Accounts

2,71,20,957

Cash on hand

60

2,71,21,017

Note 11

SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good)

Loan to fellow subsidiaries (Refer Note 16)

3,00,000

Other Advances (*)

5,77,105

8,77,105

(*) Includes ₹ 2,12,000 /- payable to holding company (Refer Note 16)



ARUNACHAL HYDRO POWER LIMITED

Particulars	For the Period 1st July, 2014 to 31st March, 2015
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Note 12

OTHER INCOME

Liability no longer required written back

1,137
1,137

Note 13

EMPLOYEE BENEFIT EXPENSES

Salaries & Wages
Contribution to Provident and other Funds
Staff welfare expenses

1,13,40,003
3,73,656
9,18,364
1,26,32,023

Employees Benefits:

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

(i) Defined Benefit Scheme

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

		in lacs	
Particulars		Gratuity (Funded)	Leave Encashment (Non-Funded)
		31.03.2015	31.03.2015
Expenses Recognized in the Profit & Loss Account			
1	Current Service Cost	1.57	1.53
2	Interest Cost	-	-
3	Expected return on plan assets	-	-
4	Actuarial Losses / (Gains)	2.06	(0.24)
	Total Expenses	3.63	1.29
Change in the obligation during the year			
1	Present value of Defined Benefit Obligation at the beginning of the year	-	-
2	Current Service Cost	1.57	1.53
3	Interest Cost	-	-
4	Acquisition Cost	4.43	2.12
5	Benefit Paid	-	(0.05)
6	Actuarial (Gains) / Losses	2.06	(0.24)
7	Present value of Defined Benefit Obligation at the end of the year	8.06	3.36
Change in Assets during the year ended March 31, 2014			
1	Plan Assets at the beginning of the year	-	-
2	Contribution by Employer	-	-
3	Acquisition Adjustments	5.51	-
4	Expected return on plan assets	-	-
5	Benefit Paid	0.01	-
6	Actuarial Gains / (Losses)	-	-
	Plan Assets at the end of the year	5.52	-
Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the year ended March 31, 2015			
1	Net Asset / (Liability) at beginning of the year	-	-
2	Acquisition	1.08	(2.12)
3	Employer Expenses	(3.63)	(1.29)
4	Employer Contributions	0.01	0.05
5	Net Asset / (Liability) at the end of the year	(2.54)	(3.36)
Actuarial Assumptions			
1	Discount Rate	7.80%	7.80%
2	Expected Rate of Return on Plan Assets	9.00%	Not Applicable
3	Rate of Salary Increases	10.00%	10.00%

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

in lacs

Particulars	Gratuity (Funded)
	For the Period 1st July, 2014 to 31st March, 2015
Present value of defined benefit obligations	(8.06)
Fair value of plan assets	5.52
Surplus/(Deficit)	(2.54)
Experience adjustment on plan liabilities (loss)/gain	(2.06)
Experience adjustment on plan assets (loss)/gain	-

(iv) Details of Plan assets	31.03.2015
Other assets including under scheme of insurance	100%



Notes :

(a) Assumptions related to future salary increases, attrition, interest rate for discount and overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.

(b) During the period, employees have been transferred to the subsidiaries from the Ultimate Holding Company without affecting the terms of their employment.

ARUNACHAL HYDRO POWER LIMITED

Particulars	For the Period 1st July, 2014 to 31st March, 2015
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₹

Note 14

FINANCE COST

Interest Expenses

- Holding Company (Refer Note 16)
- Others

2,84,90,385

4,50,25,219

7,35,15,604

1,50,801

Other borrowing cost

7,36,66,405

Note 15

OTHER EXPENSES

Payment to Auditors (excluding Service tax):

- As Auditors

2,80,000

Rent Paid (Refer Note17)

87,83,498

Rates & Taxes

1,90,56,905

Travelling Expenses (*)

46,35,820

Professional charges

3,57,54,263

Telephone Expenses

10,43,832

Maintenance Charges

1,04,296

Project development expenses

99,577

Miscellaneous Expenses (**)

15,65,530

7,13,23,721

(*) Includes payment in foreign currency amounting to ₹ 9,09,626/-

(**) Includes Net (Gain) / Loss from Foreign Exchange Transactions ₹ 1,10,267 /-



ARUNACHAL HYDRO POWER LIMITED

Note 16

Related Party disclosures pursuant to Accounting Standard - 18

Relationship	Name of the Party
A) Ultimate Holding Company	Energy Development Company Limited
B) Fellow Subsidiaries	Eastern Ramganga Valley Hydel Projects Co. Pvt. Ltd
C) Individuals having significant influence directly or indirectly (Promoter and their relatives)	Mr. Amar Singh
	Mrs. Pankaja Kumari Singh.
D) Enterprises over which individuals mentioned in (C) above exercises significant influence	Startrack Vinimay Private Limited
	Sarvottam Caps Private Limited

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

Particulars	For the Period 1st July, 2014 to 31st March, 2015
Transactions during the year:	
i) Unsecured Loan received	17,41,10,000
ii) Unsecured Loan repaid	32,80,00,000
iii) Interest Expenses	2,84,90,385
iv) Expenses incurred by the party on behalf of the company	88,71,899
v) Expenses Reimbursed to the party	88,71,899
vi) Consideration given for purchase of investments	30,50,00,000
vii) Net Assets / Liabilities for Employee Retirement Benefits transferred by the party :	
Net Assets transferred (Gratuity)	1,09,000
Net Liabilities transferred (Leave Encashment)	2,12,000
Payable as at the year end :	
i) Unsecured Loans	70,69,763
ii) Interest accrued and due (Payable)	2,56,41,345
iii) Other Receivables	2,12,000
iv) Trade Payable	1,09,000

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

Particulars	For the Period 1st July, 2014 to 31st March, 2015
Transactions during the period:	
Loans Given	3,00,000
Payable as at the year end :	
Loans Given	3,00,000



ARUNACHAL HYDRO POWER LIMITED

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

Particulars	For the Period 1st July,2014 to 31st March, 2015
Transactions during the period:	
<u>Sitting Fees</u>	
Mr. Amar Singh	5,000
Mrs. Pankaja Kumari Singh	2,000
Payable as at the year end :	
<u>Sundry Creditor</u>	
Mr. Amar Singh	4,500
Mrs. Pankaja Kumari Singh	1,800

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

Particulars	For the Period 1st July,2014 to 31st March, 2015
Transactions during the period:	
i) Unsecured Loan received	
- Startrack Vinimay Private Limited	16,27,00,000
- Sarvottam Caps Private Limited	3,00,00,000
ii) Unsecured Loan repaid	
- Startrack Vinimay Private Limited	46,97,00,000
- Sarvottam Caps Private Limited	20,25,00,000
Payable as at the year end :	
i) Interest accrued and due (Payable)	
- Startrack Vinimay Private Limited	2,61,26,766
- Sarvottam Caps Private Limited	1,86,29,997

Notes :

i) In respect of above parties, there is no provision for doubtful debts as on 31st March,2015 and no amount has been written off or written back during the year in respect of debts due from/to them.

ii) The above Related Party information is as identified by the Management and relied upon by the auditors.



ARUNACHAL HYDRO POWER LIMITED

Note 17

OPERATING LEASES :

The company has taken several premises under cancellable operating leases. The lease term is upto 1 years and have the option of renewal on expiry of the lease period based on mutual agreement of both the parties. Rental expenses towards cancellable operating lease charged to statement of profit and loss amounts to ₹ 78,00,000/- and has been disclosed as "Rent" in Note 15 of the financial statement.

Note 18

EARNING PER SHARE (EPS):

Particulars	For the Period 1st July, 2014 to 31st March, 2015
Basic and Diluted Earnings per share has been computed as under:	
Profit/(Loss) after tax for the period (attributable to shareholders)	(1,49,63,166)
Less : Preference Dividend on Cumulative Redeemable Preference shares	3,35,00,000
Profit/(Loss) for the period attributable to equity shareholders	(4,84,63,166)
Weighted Average Number of Equity Shares issued (Nos.)	5,00,000
Basic & Diluted Earnings per share (Face Value ₹ 10/- per share, fully paid up)	(96.93)

Note 19

SEGMENT REPORTING

The company is engaged primarily in the business setting up of power plant for " generation of electricity " and all other activities are incidental thereto in india. Accordingly, the separate primary and secondary segment reporting disclosure as envisaged in Accounting Standards (AS -17) on segment Reporting is not applicable to the company.

Note 20

CONTINGENT LIABILITY

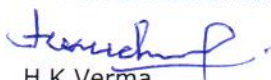
Particulars	2014-15 (₹)
Arrears of dividend on Cumulative Redeemable Preference shares	10,05,00,000

Note 21

COMPARATIVES

This being the first period of consolidation for the period 1st July, 2014 to 31st March, 2015, no previous period's figures have been given.

As per our Report of even date
For **Lodha & Co.**
Chartered Accountants


H K Verma
Partner



Place : Kolkata
Dated : 28th May, 2015

For and on behalf of the Board of Directors


Preeti Chaudhary
Company Secretary

Directors

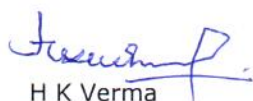
ARUNACHAL HYDRO POWER LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD 1st JULY, 2014 TO 31ST MARCH, 2015

PARTICULARS	For the Period 1st July, 2014 to 31st March, 2015	
	AMOUNT(₹)	AMOUNT(₹)
A) Cash Flow From Operating Activities:		
Profit/ (Loss) before tax		(1,52,64,586)
Adjustments for :		
Liability no longer required written back		1,137
Operating Profit before Working Capital Changes		(1,52,65,723)
Adjustments for :		
Increase/(Decrease) Trade and Other receivable	11,65,602	
Increase/(Decrease) Trade and Other payables	10,78,213	22,43,815
Net Cash Flow from Operating Activities		(1,30,21,908)
B) Cash Flow from Investing Activities		
Loans given (short term)	(3,00,000)	
Purchase of Investment in Subsidiaries	(30,50,00,000)	
Capital Work in Progress	(14,23,91,201)	(44,76,91,201)
Net Cash Flow from Investing Activities		(44,76,91,201)
C) Cash Flow from Financing Activities		
Proceeds from Issue of Preference Shares	1,49,50,00,000	
Proceeds from Borrowings received / (repayment)	(1,01,03,90,000)	48,46,10,000
Net Cash flow from Financing Activities		48,46,10,000
Net Increase/(Decrease) in Cash & Cash Equivalents		2,38,96,891
Opening Cash and Cash equivalents		32,24,126
Cash and Cash equivalents at the end of the period		2,71,21,017

Notes :-

- 1) Cash Flow Statement is prepared by the indirect method as set out in Accounting Standard - 3 on Cash Flow Statement
- 2) This being the first period of consolidation for the period 1st July, 2014 to 31st March, 2015, no previous period's figures have been given.

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



H K Verma
Partner
M No. 55104

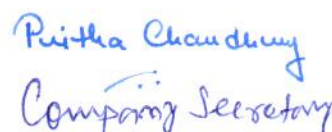
Place : Kolkata
Dated : 28th May, 2015



For and on behalf of the Board of Directors



Directors


Pritika Chaudhary
Company Secretary