

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

We have audited the accompanying standalone financial statements of **Arunachal Hydro Power Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014 ("the Rules"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstance. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its losses and its cash flows for the period ended on that date.

Emphasis of Matter

We draw attention to Note No. 7(a) of the financial statements regarding investment of Rs. 1,61,58,95,029/- as on 31st March, 2016 (Rs. 1,47,00,00,000/- as on 31st March, 2015) in subsidiaries, which are involved in setting up hydel power plants at various locations. The Company has entered into agreements for disposal of 76% of the investments in these subsidiaries at cost to another strategic investor which are to be implemented by 30th September, 2016. Pending this, no diminution in value of these investments has been considered necessary by the management.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we give in the "Annexure - A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

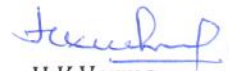
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Rules;
- e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - B".
- g) 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 year 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: 30th May, 2016

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



H.K.Verma
Partner
Membership No: 055104



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

- i) The Company has no fixed assets and accordingly, the provisions of clause 3(i) of the Order are not applicable to the Company.
- ii) The Company has no inventory and accordingly, the provisions of clause 3(ii) of the Order are not applicable to the Company.
- iii) According to information and explanations given to us, the Company has given unsecured loans to companies listed in the register maintained under Section 189 of the Act.
 - (a) As informed to us, the terms and conditions of such loans are not prejudicial to the Company's interest.
 - (b) According to the information and explanations given to us, the principal amount is not due for repayment and interest thereon as stated in Note 8(c) of the financial statements has been waived by the Company.
 - (c) In view of the above, there is no overdue amount outstanding in respect of such loan and interest thereon.
- iv) According to the information and explanations given to us, read with Note 8 (c) of the financial statements, the Company has complied with the provisions of Section 185 and 186 of the Act with respect to the loans given and investments made by the Company.
- v) The Company has not accepted any deposits from the public and accordingly, the provisions of Section 73 to 76 or any other relevant provisions of the Act are not applicable.
- vi) The Company is not required to maintain cost records prescribed by the Central Government under Section 148(1) of the Act. Accordingly, the provisions of Clause 3(vi) of the Order are not applicable to the Company.
- vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues of Service Tax, Tax Deducted at Source and Professional 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. Other statutory dues like Provident Fund, Employee's State Insurance, Sales Tax, Income Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, etc. are not applicable to the Company during the year.

(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.
- viii) The Company has no amounts due to financial institutions, bank, government or debenture holders during the year. Accordingly, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix) In our opinion and according to the information and explanations given to us, term loans have been utilised for the purposes for which they were raised. The Company has not raised any amount by way of public offer.



- x) During the course of our examinations of the books of accounts carried out in accordance with the generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company, nor have we been informed of any such case by the management.
- xi) According to the information and explanations given to us, no managerial remuneration has been paid or provided during the year and accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly, the provision of Clause 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and accordingly, the provision of Clause 3(xiv) of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors and accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi) Based on legal opinion received by the management as stated in Note 13(C) of the financial statements and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provision of Clause 3(xvi) of the Order is not applicable to the Company.

Place: Kolkata
Date: 30th May, 2016

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



H.K.Verma
Partner
Membership No.: 055104



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

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

We have audited the internal financial controls over financial reporting of **Arunachal Hydro Power Limited** ("the Company") as at March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

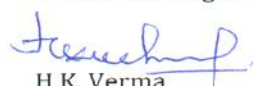
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kolkata
Date: 30th May, 2016

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



H.K. Verma
Partner
Membership No.: 055104



ARUNACHAL HYDRO POWER LIMITED
Balance Sheet as at 31st March, 2016

Particulars	Note No.	As at 31st March 2016 (₹)	As at 31st March 2015 (₹)
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	1,64,30,00,000	1,49,55,00,000
Reserves and Surplus	3	(1,39,42,061)	(1,14,77,655)
		1,62,90,57,939	1,48,40,22,345
Non Current Liabilities			
Long Term Borrowings	4	6,53,00,000	-
Current Liabilities			
Trade Payables	5	-	-
- Dues to Micro and Small Enterprises		1,15,250	1,14,06,487
- Dues to Others	6	19,600	110
Other Current Liabilities		1,34,850	1,14,06,597
Total		1,69,44,92,789	1,49,54,28,942
<u>ASSETS</u>			
Non Current Assets			
Non Current Investments	7	1,62,58,95,029	1,48,00,00,000
Long Term Loans and Advances	8	6,72,00,000	-
		1,69,30,95,029	1,48,00,00,000
Current Assets			
Cash and Cash Equivalents	9	13,97,760	1,54,28,942
Total		1,69,44,92,789	1,49,54,28,942
Significant Accounting Policies	1		
The accompanying notes (1-14) form an integral part of financial statements.			

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

H K Verma

H K Verma
Partner
M No. 055104



Place : Kolkata
Dated : 30th May, 2016

For and on behalf of the Board of Directors

Amar Singh

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ARUNACHAL HYDRO POWER LIMITED
Statement of Profit and Loss for the year ended 31st March, 2016

Particulars	Note No	Year Ended 31st March 2016 (₹)	For the Period 1st July, 2014 to 31st March 2015 (₹)
REVENUE :			
Revenue from operations		-	-
Other Income		-	-
Total Revenue		-	-
EXPENSES :			
Employee Benefit Expenses	10	2,20,976	13,985
Other Expenses	11	22,43,430	1,14,12,534
Total Expenses		24,64,406	1,14,26,519
Profit/(Loss) before tax for the year		(24,64,406)	(1,14,26,519)
Tax Expense:			
- Current tax		-	-
- Deferred tax		-	-
Profit/(Loss) after tax for the year		(24,64,406)	(1,14,26,519)
Earnings per equity share of ₹ 10 each, fully paid up	13A	(0.48)	(228.53)
- Basic & Diluted			
Significant Accounting Policies	1		
The accompanying notes (1-14) form an integral part of financial statements.			

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

H K Verma

H K Verma
Partner
M No. 055104

Place : Kolkata
Dated : 30th May, 2016



For and on behalf of the Board of Directors

Anwar Singh

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J. C. G. G. G.

ARUNACHAL HYDRO POWER LIMITED
Notes to the Financial Statements for the year ended 31st March, 2016

NOTE 1
SIGNIFICANT ACCOUNTING POLICIES

A) Basis of preparation of financial statements

The accounts have been prepared under the historical cost convention and in accordance with the provision of the Companies Act, 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.

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) Investments

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

D) 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.

E) Employee Benefits

Employees benefits are accrued in the year/period services are rendered by the employees. There are no long term employee benefits.

F) Borrowing Costs

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

G) 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.

H) 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 2016 (₹)	As at 31st March 2015 (₹)
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NOTE 2

SHARE CAPITAL

Authorised

1,55,00,000 (500,000) Equity shares of ₹ 10/- each	15,50,00,000	50,00,000
1,49,50,000 (1,49,50,000) 0.01% (8%) Non Cumulative Redeemable Preference Shares of ₹ 100/- each	1,49,50,00,000	1,49,50,00,000
	1,65,00,00,000	1,50,00,00,000

Issued, Subscribed & Paid-up

1,48,00,000 (50,000) Equity shares of ₹ 10/- each	14,80,00,000	5,00,000
1,49,50,000 (1,49,50,000) 0.01% (8%) Non Cumulative Redeemable Preference Shares of ₹ 100/- each (*)	1,49,50,00,000	1,49,50,00,000
	1,64,30,00,000	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 Balance	50,000	50,000
Add : Issued during the year	1,47,50,000	-
Closing Balance	1,48,00,000	50,000

Reconciliation of outstanding number of Preference shares

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

Shareholders holding more than 5% shares :-

a) Equity Shares :		
- Energy Development Company Limited (Holding company)	1,48,00,000 (100.00%)	50,000 (100 %)
b) Preference Shares :		
- Sarvottam Caps Private Limited	83,75,000 (56.02%)	83,75,000 (56.02%)
- Startrack Vinimay Private Limited	65,75,000 (43.98%)	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) During the year, the rate of dividend in respect of the above preference shares has been revised from 8% to 0.01% with effect from 7th March, 2016 as per resolution passed by the company.

From such date, these redeemable preference shares would carry 0.01% fixed dividend 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 2016 (₹)	As at 31st March 2015 (₹)
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NOTE 3**RESERVES AND SURPLUS****Surplus/(Deficit) in Statement of Profit & Loss**

Opening Balance	(1,14,77,655)	(51,136)
Add : Profit/(Loss) for the year transferred from Statement of Profit & Loss	(24,64,406)	(1,14,26,519)
Closing Balance	(1,39,42,061)	(1,14,77,655)

NOTE 4**LONG TERM BORROWINGS****(Unsecured)****Loans from Related Parties**

Loan from Holding Company (Refer Note 12)

6,53,00,000	-
6,53,00,000	-

Terms of Repayment

These loans are repayable in the financial year 2017-18.

NOTE 5**TRADE PAYABLES**

For Services

- Dues to Micro and Small Enterprises
- Dues to Others

1,15,250	1,14,06,487
1,15,250	1,14,06,487

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

NOTE 6**OTHER CURRENT LIABILITIES**

Statutory Payable

19,600	110
19,600	110



ARUNACHAL HYDRO POWER LIMITED

NOTE 7

NON CURRENT INVESTMENT

(Other than trade Investments) (At Cost) (Long Term)

Investment in Equity Shares of Subsidiaries. (Unquoted)

Particulars	No. Of Shares 31.03.2016	No. Of Shares 31.03.2015	As at 31st March 2016 (₹)	As at 31st March 2015 (₹)
(a) EDCL Arunachal Hydro Project Private Limited (FV of ₹ 10/- each fully paid up) [Maximum amount during the year ₹ 1,00,00,000 /-(P.P ₹ 1,00,00,000 /-)]	10,00,000	10,00,000	1,00,00,000	1,00,00,000
(b) EDCL Seppa Beyong Hydro Electric Private Limited (FV of ₹ 10/- each fully paid up) [Maximum amount during the year ₹ 13,23,31,579 /-(P.P ₹ 11,25,00,000 /-)]	26,50,000	22,50,000	13,23,31,579	11,25,00,000
(c) EDCL Seppa Dunkho Hydro Electric Private Limited (FV of ₹ 10/- each fully paid up) [Maximum amount during the year ₹ 21,88,31,579 /-(P.P ₹ 19,90,00,000 /-)]	43,80,000	39,80,000	21,88,31,579	19,90,00,000
(d) EDCL Seppa Jung Power Private Limited (FV of ₹ 10/- each fully paid up) [Maximum amount during the year ₹ 5,13,22,222 /-(P.P ₹ 4,15,00,000 /-)]	10,30,000	8,30,000	5,13,22,222	4,15,00,000
(e) EDCL Tawang Lower Tsachu Hydro Electric Private Limited (FV of ₹ 10/- each fully paid up) [Maximum amount during the year ₹ 9,48,50,000 /-(P.P ₹ 9,40,00,000 /-)]	59,00,000	58,75,000	9,48,50,000	9,40,00,000
(f) EDCL Tawang Upper Tsachu Hydro Electric Private Limited (FV of ₹ 10/- each fully paid up) [Maximum amount during the year ₹ 2,68,50,000 /-(P.P ₹ 2,60,00,000 /-)]	16,50,000	16,25,000	2,68,50,000	2,60,00,000
(g) EDCL Tawang Power Private Limited (FV of ₹ 10/- each fully paid up) [Maximum amount during the year ₹ 11,08,50,000 /-(P.P ₹ 11,00,00,000 /-)]	69,00,000	68,75,000	11,08,50,000	11,00,00,000
(h) EDCL Seppa Kawa Power Private Limited (FV of ₹ 10/- each fully paid up) [Maximum amount during the year ₹ 10,48,31,579 /-(P.P ₹ 8,50,00,000 /-)]	21,00,000	17,00,000	10,48,31,579	8,50,00,000
(i) EDCL Seppa Lada Hydro Electric Private Limited (FV of ₹ 10/- each fully paid up) [Maximum amount during the year ₹ 22,73,31,579 /-(P.P ₹ 20,75,00,000 /-)]	26,50,000	22,50,000	13,23,31,579	11,25,00,000
(j) EDCL Seppa Marjingla Hydro Electric Private Limited (FV of ₹ 10/- each fully paid up) [Maximum amount during the year ₹ 22,73,31,579 /-(P.P ₹ 20,75,00,000 /-)]	45,50,000	41,50,000	22,73,31,579	20,75,00,000
(k) EDCL Seppa Nire Hydro Electric Private Limited (FV of ₹ 10/- each fully paid up) [Maximum amount during the year ₹ 3,98,00,000 /-(P.P ₹ 3,00,00,000 /-)]	8,00,000	6,00,000	3,98,00,000	3,00,00,000



ARUNACHAL HYDRO POWER LIMITED

Particulars	As at 31st March 2016 (₹)	As at 31st March 2015 (₹)
(l) EDCL Seppa Pachuk Power Private Limited (FV of ₹ 10/- each fully paid up) [Maximum amount during the year ₹ 32,73,31,579 /-(P.P ₹ 30,75,00,000 /-)]	65,50,000	3273,31,579
(m) EDCL Seppa Rieng Power Private Limited (FV of ₹ 10/- each fully paid up) [Maximum amount during the year ₹ 3,42,33,333 /-(P.P ₹ 2,95,00,000 /-)]	18,37,500	342,33,333
		17,37,500
	15108,95,029	13650,00,000

Investment in 0.01 % Cumulative Redeemable Preference Shares of Subsidiaries (Unquoted)

(n) EDCL Seppa Rieng Power Private Limited (FV of ₹ 100 /- each fully paid up) [Maximum amount during the year ₹ 50,00,000/--(P.P ₹ 50,00,000 /-)]	50,000	50,00,000	50,000	50,00,000
(o) EDCL Tawang Power Private Limited (FV of ₹ 100 /- each fully paid up) [Maximum amount during the year ₹ 4,00,00,000 /-(P.P ₹ 4,00,00,000 /-)]	4,00,000	400,00,000	4,00,000	400,00,000
(p) EDCL Tawang Upper Tsachu Hydro Electric Private Limited (FV of ₹ 100 /- each fully paid up) [Maximum amount during the year ₹ 3,00,00,000 /-(P.P ₹ 3,00,00,000 /-)]	3,00,000	300,00,000	3,00,000	300,00,000
(q) EDCL Tawang Lower Tsachu Hydro Electric Private Limited (FV of ₹ 100 /- each fully paid up) [Maximum amount during the year ₹ 4,00,00,000 /-(P.P ₹ 4,00,00,000 /-)]	4,00,000	400,00,000	4,00,000	400,00,000

Total

1150,00,000	1150,00,000
16258,95,029	14800,00,000
16258,95,029	14800,00,000
16258,95,029	14800,00,000

Aggregate Amount of Unquoted Investments

Notes :

(a) The various subsidiaries [mentioned in (b) to (q) above] of the company on completion of prefeasibility report have been granted permission for setting up of certain hydel power plants, having aggregate capacity of 643 MW approximately by the Government of Arunachal Pradesh. Project survey, geological investigation and formulation of Detailed Project Report (DPR) and other allied works are under progress. In terms of agreement entered into on 9th November, 2015, 76% of the investments (mentioned in (b) to (m) above) will be held by another strategic investor who will be implementing the projects leaving 24% which will be continued to be held by the company. The said agreements which are to be implemented by 30th september, 2016 (extended from 31st March, 2016) are subject to various regulatory and other approvals. Further the transaction is subject to certain conditions precedent to be fulfilled by the company. In terms of the above agreements, the company's investments in the subsidiaries implementing the above projects is contemplated to be transferred by the company atleast at the value at which they are stated in the accounts and no diminution in the value thereof is expected to arise in this respect.

(b) Investments purchased during the year as mentioned in (b to m above) by the Company, are lying in the name of transferor pending performance of obligation undertaken by the Company, as per agreement entered with the seller.



ARUNACHAL HYDRO POWER LIMITED

Particulars	As at 31st March 2016 (₹)	As at 31st March 2015 (₹)
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NOTE 8

LONG TERM LOANS AND ADVANCES

(Unsecured, Considered good)

Loan to Subsidiaries (Refer Note 12)

672,00,000	-
672,00,000	-

(a) Particulars of loans to subsidiaries

EDCL Seppa Beyong Hydro Electric Private Limited	35,00,000	-
[Maximum amount during the year ₹ 35,00,000 /-(Previous Period : ₹ Nil /-)]		
EDCL Seppa Dunkho Hydro Electric Private Limited	70,00,000	-
[Maximum amount during the year ₹ 70,00,000 /-(Previous Period : ₹ Nil /-)]		
EDCL Seppa Kawa Power Private Limited	42,00,000	-
[Maximum amount during the year ₹ 42,00,000 /-(Previous Period : ₹ Nil /-)]		
EDCL Seppa Lada Hydro Electric Private Limited	59,00,000	-
[Maximum amount during the year ₹ 59,00,000 /-(Previous Period : ₹ Nil /-)]		
EDCL Seppa Marjingla Hydro Electric Private Limited	76,00,000	-
[Maximum amount during the year ₹ 76,00,000 /-(Previous Period : ₹ Nil /-)]		
EDCL Seppa Nire Hydro Electric Private Limited	26,00,000	-
[Maximum amount during the year ₹ 26,00,000 /-(Previous Period : ₹ Nil /-)]		
EDCL Seppa Pachuk Power Private Limited	166,00,000	-
[Maximum amount during the year ₹ 166,00,000 /-(Previous Period : ₹ Nil /-)]		
EDCL Tawang Lower Tsachu Hydro Electric Private Limited	64,00,000	-
[Maximum amount during the year ₹ 64,00,000 /-(Previous Period : ₹ Nil /-)]		
EDCL Tawang Power Private Limited	114,00,000	-
[Maximum amount during the year ₹ 114,00,000 /-(Previous Period : ₹ Nil /-)]		
EDCL Tawang Upper Tsachu Hydro Electric Private Limited	20,00,000	-
[Maximum amount during the year ₹ 20,00,000 /-(Previous Period : ₹ Nil /-)]		
Total :	672,00,000	-

(b) The above loans have been given for business purposes and they are repayable in FY 2017-18

(c) The Company is engaged in the business of acquiring energy business and providing such facilities and finance for implementation of the same. The loan given being finance for putting up infrastructure facilities i.e. plant for power generation, interest of Rs. 269,408 pertaining to the year thereagainst, given the nature of Company's business and involvement has not been accrued and decided to be waived considering the uncertainty of realisation thereof due to delay in implementation of the project.

NOTE 9

CASH AND CASH EQUIVALENTS

Cash at Bank (on Current Accounts)
Cash on hand

13,97,700	154,28,882
60	60
13,97,760	154,28,942



ARUNACHAL HYDRO POWER LIMITED

Particulars	Year Ended 31st March, 2016 (₹)	For the Period 1st July, 2014 to 31st March, 2015 (₹)
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NOTE 10

EMPLOYEE BENEFIT EXPENSES

Salary & Wages	2,13,607	13,985
Staff Welfare Expenses	7,369	-
	<u>2,20,976</u>	<u>13,985</u>

NOTE 11

OTHER EXPENSES

Payment to Auditors:		
- As Audit Fees (excluding service tax)(*)	80,000	20,000
Rates & Taxes	18,17,861	113,69,316
Professional Charges	2,25,200	20,000
Miscellaneous Expenses	1,20,369	3,218
	<u>22,43,430</u>	<u>114,12,534</u>

(*) including Rs. 30,000 pertaining to earlier years



ARUNACHAL HYDRO POWER LIMITED

NOTE 12

RELATED PARTY DISCLOSURES PURSUANT TO ACCOUNTING STANDARD - 18

Relationship	Name of the Parties
a) Holding Company	Energy Development Company Limited
b) Subsidiaries	EDCL Arunachal Hydro Project Private Limited EDCL Seppa Beyond Hydro Electric Private Limited EDCL Seppa Dunkho Hydro Electric Private Limited EDCL Seppa Jung Power Private Limited EDCL Seppa Kawa Power Private Limited EDCL Seppa Lada Hydro Electric Private Limited EDCL Seppa Marjingla Hydro Electric Private Limited EDCL Seppa Nire Hydro Electric Private Limited EDCL Seppa Pachuk Power Private Limited EDCL Seppa Riag Power Private Limited EDCL Tawang Lower Tsachu Hydro Electric Private Limited EDCL Tawang Power Private Limited EDCL Tawang Upper Tsachu Hydro Electric Private Limited
c) Fellow Subsidiaries [through (a)]	Eastern Ramganga Hydel Projects Company Private Limited
d) Individuals having significant influence directly or indirectly (Promoter and their relatives)	Amar Singh Pankaja Kumari Singh
e) Enterprises over which individuals mentioned in (d) 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	2015-16 (₹)	For the period 1st July 2014 to 31st March 2015 (₹)
Transactions during the year :		
i) Proceeds from issue of Equity Share	14,75,00,000	-
ii) Expenses incurred by the party on behalf of the company	8,977	16,400
iii) Expenses Reimbursed to the party	8,977	16,400
iv) Consideration given for purchase of investments of Subsidiaries	14,58,95,029	30,50,00,000
v) Unsecured Loan received	6,53,00,000	-
Balances as at the year end :		
i) Unsecured Loan	6,53,00,000	-



ARUNACHAL HYDRO POWER LIMITED

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

(i) Investments in shares of subsidiaries :-

Subsidiary Company	Transactions during the year		Outstanding Balances as at the year end		
	Investment in Equity shares		Investment in Equity shares		Investment in Preference shares
	2015- 16 (₹)	For the Period 1st July, 2014 to 31st March, 2015 (₹)	31.03.2016 (₹)	For the Period 1st July, 2014 to 31st March, 2015 (₹)	31.03.2016 (₹) For the Period 1st July, 2014 to 31st March, 2015 (₹)
EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED	-	1,00,00,000	1,00,00,000	1,00,00,000	-
EDCL SEPPA BEYONG HYDRO ELECTRIC PRIVATE LIMITED	-	8,50,00,000	13,23,31,579	11,25,00,000	-
EDCL SEPPA DUNKHO HYDRO ELECTRIC PRIVATE LIMITED	-	17,15,00,000	21,88,31,579	19,90,00,000	-
EDCL SEPPA JUNG POWER PRIVATE LIMITED	-	2,90,00,000	5,13,22,222	4,15,00,000	-
EDCL SEPPA KAWA POWER PRIVATE LIMITED	-	5,75,00,000	10,48,31,579	8,50,00,000	-
EDCL SEPPA LADA HYDRO ELECTRIC PRIVATE LIMITED	-	8,50,00,000	13,23,31,579	11,25,00,000	-
EDCL SEPPA MARJINGLA HYDRO ELECTRIC PRIVATE LIMITED	-	18,00,00,000	22,73,31,579	20,75,00,000	-
EDCL SEPPA NIRE HYDRO ELECTRIC PRIVATE LIMITED	-	2,00,00,000	3,98,00,000	3,00,00,000	-
EDCL SEPPA PACHUK POWER PRIVATE LIMITED	-	28,00,00,000	32,73,31,579	30,75,00,000	50,00,000
EDCL SEPPA RIANG POWER PRIVATE LIMITED	-	2,70,00,000	3,42,33,333	2,95,00,000	4,00,00,000
EDCL TAWANG LOWER TSACHU HYDRO ELECTRIC PRIVATE LIMITED	-	9,40,00,000	9,48,50,000	9,40,00,000	4,00,00,000
EDCL TAWANG POWER PRIVATE LIMITED	-	11,00,00,000	11,08,50,000	11,00,00,000	4,00,00,000
EDCL TAWANG UPPER TSACHU HYDRO ELECTRIC PRIVATE LIMITED	-	2,60,00,000	2,68,50,000	2,60,00,000	3,00,00,000
Total :-	-	1,17,50,00,000	1,51,08,95,029	1,36,50,00,000	11,50,00,000

(*) Transactions during the year represents amount of subscription to capital issued by the subsidiaries. Further, investments of ₹ 145,895,029/- (Previous Period ₹ 30,50,00,000/-) has been purchased from Energy Development Company Limited as reported in (a) above



ARUNACHAL HYDRO POWER LIMITED

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

(ii) Loan to subsidiaries :-

Subsidiary Company	Loan Given to Subsidiaries		Outstanding Balances at the year end	
	2015- 16 (₹)	For the Period 1st July, 2014 to 31st March, 2015 (₹)	31.03.2016 (₹)	For the Period 1st July, 2014 to 31st March, 2015 (₹)
EDCL SEPPA BEYONG HYDRO ELECTRIC PRIVATE LIMITED	35,00,000	-	35,00,000	-
EDCL SEPPA DUNKHO HYDRO ELECTRIC PRIVATE LIMITED	70,00,000	-	70,00,000	-
EDCL SEPPA KAWA POWER PRIVATE LIMITED	42,00,000	-	42,00,000	-
EDCL SEPPA LADA HYDRO ELECTRIC PRIVATE LIMITED	59,00,000	-	59,00,000	-
EDCL SEPPA MARJINGLA HYDRO ELECTRIC PRIVATE LIMITED	76,00,000	-	76,00,000	-
EDCL SEPPA NIRE HYDRO ELECTRIC PRIVATE LIMITED	26,00,000	-	26,00,000	-
EDCL SEPPA PACHUK POWER PRIVATE LIMITED	1,66,00,000	-	1,66,00,000	-
EDCL TAWANG LOWER TSACHU HYDRO ELECTRIC PRIVATE LIMITED	64,00,000	-	64,00,000	-
EDCL TAWANG POWER PRIVATE LIMITED	1,14,00,000	-	1,14,00,000	-
EDCL TAWANG UPPER TSACHU HYDRO ELECTRIC PRIVATE LIMITED	20,00,000	-	20,00,000	-
Total :	6,72,00,000	-	6,72,00,000	-

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

Particulars	2015- 16 (₹)	For the period 1st July, 2014 to 31st March, 2015 (₹)
Transactions during the year :		
i) Loans given	16,00,000	-
ii) Proceed from repayment of loans	16,00,000	-



ARUNACHAL HYDRO POWER LIMITED

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

Particulars	2015- 16 (₹)	For the period 1st July, 2014 to 31st March, 2015 (₹)
Transactions during the year :		
i) Board Meeting Fees : - Amar Singh	3,500	-

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

Particulars	2015- 16 (₹)	For the period 1st July, 2014 to 31st March, 2015 (₹)
Proceed from issue of Preference Shares - Sarvottam Caps Private Limited - Startrack Vinimay Private Limited	- -	83,75,00,000 65,75,00,000

Notes :

- i) In respect of above parties, there is no provision for doubtful debts as on 31st March, 2016 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 13 (A)

EARNING PER SHARE (EPS):

Particulars	2015- 16 (₹)	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 year	(24,64,406)	(114,26,519)
Weighted Average Number of Equity Shares issued (Nos.)	50,87,568	50,000
Basic and Diluted Earnings per Share (Face Value ₹ 10/- per share, fully paid up)	(0.48)	(228.53)

NOTE 13 (B)

SEGMENT REPORTING

The Company's primary business is to provide finance for energy business acquired by the Company 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 13 (C)

In terms of the legal advice received, the Company is not required to be registered as Non Banking Financial Company under Section 45-IA of the Reserve Bank of India Act, 1934



ARUNACHAL HYDRO POWER LIMITED

NOTE 14
COMPARATIVES

Previous year's figures have been re-grouped/rearranged wherever considered necessary . Current period accounts are for the year 1st April, 2015 to 31st March, 2016 whereas previous period accounts are for the period 1st July, 2014 to 31st March, 2015 and hence, are not strictly comparable.

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

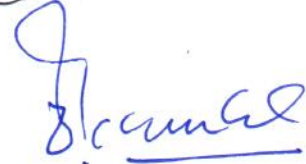
For and on behalf of the Board of Directors



H K Verma
Partner
M No. 055104



Place : Kolkata
Dated : 30th May, 2016



ARUNACHAL HYDRO POWER LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	31.03.2016		31.03.2015	
	AMOUNT(₹)	AMOUNT(₹)	AMOUNT(₹)	AMOUNT(₹)
A) Cash Flow From Operating Activities:				
Profit/ (Loss) before tax		(24,64,406)		(1,14,26,519)
Operating Profit before Working Capital Changes				
Adjustments for :				
Increase/(Decrease) in Trade and Other payables	(1,12,71,747)	(1,12,71,747)	1,13,55,461	1,13,55,461
Net Cash Flow from Operating Activities		(1,37,36,153)		(71,058)
B) Cash Flow from Investing Activities				
Loan (Given) / Proceeds on repayment	(6,72,00,000)			
Purchase of investments	(14,58,95,029)	(21,30,95,029)	(1,48,00,00,000)	(1,48,00,00,000)
Net Cash Flow from Investing Activities		(21,30,95,029)		(1,48,00,00,000)
C) Cash Flow from Financing Activities				
Proceeds from / (repayments) of borrowings	6,53,00,000			
Proceeds from Issue of Equity Shares	14,75,00,000			
Proceeds from Issue of Preference Share	-	21,28,00,000	1,49,50,00,000	1,49,50,00,000
Net Cash flow from Financing Activities		21,28,00,000		1,49,50,00,000
Net Increase/(Decrease) in Cash and Cash Equivalents		(1,40,31,182)		1,49,28,942
Cash and Cash equivalents at the beginning of the year		1,54,28,942		5,00,000
Cash and Cash equivalents at the end of the year (Refer Note 9)		13,97,760		1,54,28,942
Significant Accounting Policies	1			

The accompanying notes(1-14) form an integral part of financial statements.

Notes :-

- 1) Cash Flow Statement is prepared by the indirect method as set out in Accounting Standard - 3 on Cash Flow Statement
- 2) Previous year's figures have been re-grouped/rearranged wherever considered necessary.

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

H K Verma
Partner
M No. 055104

Place : Kolkata
Dated : 30th May, 2016



For and on behalf of the Board of Directors

Aman Singh

Seoni
Deemed