

INDEPENDENT AUDITORS' REPORT**To the Members of EDCL Power Projects Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of **EDCL Power Projects Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 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 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. 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2017, its losses, and its cash flows for the year ended on that date.

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 financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (Bank notes of denominations of five hundred and one thousand rupees) during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.



Place: Kolkata
Date: 29th May, 2017

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

H.K.Verma
Partner
Membership No.: 055104

EDCL Power Projects Limited

"Annexure – A" referred to in our report of even date

- i)
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) Fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies in respect of the assets verified during the year were noticed.
 - (c) According to information and explanations given to us, the title deeds of immovable property are held in the name of the Company except in respect of a land amounting to Rs. 62,80,405 acquired in earlier years for which title deeds are yet to be registered in the name of the company.
- ii) The inventory has been physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, the frequency of verification is reasonable. As far as ascertained, discrepancies noticed on physical verification of inventory were not material as compared to the book records and these have been properly dealt with in the books of account.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured and unsecured, to any company, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of Clause 3(iii) of the Order are not applicable to the Company.
- iv) According to the information and explanations given to us, the Company has not given any loan or guarantee or provided any security in connection with loan during the year. Accordingly, the provision of Clause 3(iv) of the Order is not applicable to 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, Professional Tax and Provident Fund. 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 Employee's State Insurance, Income Tax, Sales 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), there are no dues that have not been deposited with the appropriate authority on account of disputes.



EDCL Power Projects 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 **EDCL Power Projects Limited** ("the Company") as at March 31, 2017 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, 2017, 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: 29th May, 2017



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

H.K. Verma
Partner
Membership No.: 055104

EDCL POWER PROJECTS LIMITED
Balance Sheet as at 31st March, 2017

Particulars	Note No.	As at 31st March 2017 (₹)	As at 31st March 2016 (₹)
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	14,75,00,000	14,75,00,000
Reserves and Surplus	3	(10,41,99,772)	(7,61,15,385)
		4,33,00,228	7,13,84,615
Non Current Liabilities			
Long Term Borrowings	4	22,27,90,000	21,65,25,000
Long Term Provision	5	3,82,000	8,29,000
		22,31,72,000	21,73,54,000
Current Liabilities			
Trade Payables	6	-	-
- Dues to Micro and Small Enterprises		-	-
- Dues to Others		41,05,918	22,37,221
Other Current Liabilities	7	1,61,41,221	78,25,329
Short Term Provision	8	78,000	2,000
		2,03,25,139	1,00,64,550
Total		28,67,97,367	29,88,03,165
<u>ASSETS</u>			
Non Current Assets			
Fixed Assets			
- Tangible Assets	9	27,66,74,723	27,79,39,577
Deferred Tax Assets (Net)	10	52,09,542	62,20,060
Long Term Loans and Advances	11	6,53,784	2,98,784
Other Non Current Assets	12	75,000	75,000
		28,26,13,049	28,45,33,421
Current Assets			
Inventories	13	4,46,473	81,83,899
Trade Receivables	14	26,42,935	24,79,292
Cash and Bank Balances	15	6,04,605	9,71,653
Short Term Loans and Advances	16	4,69,007	26,21,586
Other Current Assets	17	21,298	13,313
		41,84,318	1,42,69,743
Total		28,67,97,367	29,88,03,165
Significant Accounting Policies	1		
The accompanying notes (1-28) 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
Partner
Membership No. 055104


Place : Kolkata
Dated : 29th May, 2017



For and on behalf of the Board of Directors


Sanjiv Saraf (Executive Director) (DIN 00506650)


Tarun Chaturvedi (Director) (DIN 02309045)


Vijoy Kumar (Director) (DIN 02970626)


Amit Damani (Chief Financial Officer)


Subramanian Krishnan (Company Secretary)

EDCL POWER PROJECTS LIMITED
Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Note No.	Year ended 31st March 2017 (₹)	Year ended 31st March 2016 (₹)
REVENUE :			
Revenue from operations	18	3,15,86,389	4,46,54,123
Other Income	19	16,59,984	4,03,429
Total Revenue		3,32,46,373	4,50,57,552
EXPENSES :			
Employee Benefit Expenses	20	76,29,725	79,31,110
Finance cost	21	2,40,00,000	2,93,85,203
Depreciation and Amortization Expense	9	1,26,19,072	1,21,30,328
Other Expenses	22	1,60,71,444	2,62,60,855
Total Expenses		6,03,20,240	7,57,07,496
Profit/(Loss) before tax for the year		(2,70,73,867)	(3,06,49,944)
Tax Expense:			
- Tax relating to earlier years		-	(41,616)
- Deferred tax charge / (credit)		10,10,520	3,49,467
Total Tax Expenses		10,10,520	3,07,851
Profit/(Loss) after tax for the year		(2,80,84,387)	(3,09,57,795)
Earnings per equity share of ₹ 10 each fully paid up - Basic & Diluted	25	(7.49)	(8.26)
Significant Accounting Policies	1		
The accompanying notes(1-28) 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
Partner
Membership No. 055104

Place : Kolkata
Dated : 29th May, 2017



For and on behalf of the Board of Directors


Sanjiv Saraf (Executive Director) (DIN 00506650)


Tarun Chaturvedi (Director) (DIN 02309045)


Vijoy Kumar (Director) (DIN 02970626)


Amit Damani (Chief Financial Officer)


Subramanian Krishnan (Company Secretary)

EDCL POWER PROJECTS LIMITED
Notes to the Financial Statements for the year ended 31st March, 2017

NOTE 1
SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Use of Estimates

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

1.3 Property, Plant and Equipment (PPE)

(a) Property, Plant and Equipment (PPE) are stated at cost which comprise its purchase price and any attributable cost of bringing the assets to its working condition for its intended use. In case of construction/erection of property, plant and equipment, cost comprise those costs that relate directly to the specific asset and those that are attributable to the construction/erection activities in general and can be allocated to the specific assets. Cost includes machinery, spares, interest and pre-operative expenses.

(b) Machinery Spare which meet the definition of PPE have been capitalised.

1.4 Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortisation.

1.5 Depreciation and Amortisation

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

In respect of assets of generating plant and equipment, building and roads, hydraulic works, transmission lines, transformers and cable network depreciation has been provided on straight line method over useful life of 30 years as per the implementation agreement with the authorities. Erection and maintenance tools are amortised over a period of five years on pro-rata basis. Intangible assets are amortised over its useful life of 5 years

1.6 Investments

Long-term investments are stated at cost less diminution in the value thereof, other than temporary.

1.7 Revenue Recognition

Revenue in respect of sale of electricity generated is accounted for on delivery to the grid.

1.8 Inventories

Inventories are valued at cost or estimated net realisable value whichever is lower. Cost of inventory comprising stores, spares and consumables are determined, applying weighted average method.

1.9 Impairment

Property, Plant and Equipment are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of property, plant and equipment 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.



EDCL POWER PROJECTS LIMITED
Notes to the Financial Statements for the year ended 31st March, 2017

1.10 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.

1.11 Taxation

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

1.12 Borrowing Cost

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

1.13 Grants and Subsidies from Government:

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

1.14 Provisions, Contingent Liabilities and Contingent Assets

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

1.15 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.



EDCL POWER PROJECTS LIMITED

Particulars	As at 31st March 2017 (₹)	As at 31st March 2016 (₹)
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NOTE 2

SHARE CAPITAL

Authorised

40,00,000 (40,00,000) Equity shares of ₹10/- each	4,00,00,000	4,00,00,000
1,10,00,000 (1,10,00,000) 8% Non Cumulative Redeemable Preference Shares of ₹10/- each	11,00,00,000	11,00,00,000
	15,00,00,000	15,00,00,000

Issued, Subscribed & Paid-up

37,50,000 (37,50,000) Equity shares of ₹10/- each fully paid up	3,75,00,000	3,75,00,000
1,10,00,000 (1,10,00,000) 8% Non Cumulative Redeemable Preference Shares of ₹10/- each fully paid up (Redeemable within 20 years of allotment i.e. 11.02.2015)	11,00,00,000	11,00,00,000
	14,75,00,000	14,75,00,000

Reconciliation of outstanding number of Equity Shares

Opening Balance	37,50,000	37,50,000
Closing Balance	37,50,000	37,50,000

Reconciliation of outstanding number of Preference shares

Opening Balance	1,10,00,000	1,10,00,000
Closing Balance	1,10,00,000	1,10,00,000

Shareholders holding more than 5% of shares

- a) Entire Equity Shares are held by the holding company Energy Development Company Limited
 b) Entire Preference Shares are held by Startrack Vinimay Private Limited.

Rights, Preferences and Restrictions attached to each classes of shares including restrictions on the distribution of dividends 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 Redeemable Preference Share would carry 8% 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.



EDCL POWER PROJECTS LIMITED

Particulars	As at 31st March 2017 (₹)	As at 31st March 2016 (₹)
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NOTE 3

RESERVES AND SURPLUS

Capital Reserve	2,40,00,000	2,40,00,000
Capital Redemption Reserve	75,00,000	75,00,000
Surplus/(Deficit) in Statement of Profit and Loss		
Opening Balance	(10,76,15,385)	(7,66,57,590)
Add : Profit / (Loss) for the year transferred from Statement of Profit & Loss	(2,80,84,387)	(3,09,57,795)
Closing Balance	(13,56,99,772)	(10,76,15,385)
Total :	(10,41,99,772)	(7,61,15,385)

NOTE 4

LONG TERM BORROWINGS

(Unsecured)

Loans from Related Parties

Loan from Holding Company (Refer Note 23)	2,27,90,000	1,65,25,000
Loan from Others		
Loan from Bodies Corporate	20,00,00,000	20,00,00,000
	22,27,90,000	21,65,25,000

Terms of Repayment

These loans are repayable in the financial year 2018-19. Rate of Interest, wherever applicable is 12%.

NOTE 5

LONG TERM PROVISIONS

Provision for Employee benefits

Provision for Leave Encashment	3,82,000	6,62,000
Provision for Gratuity	-	1,67,000
	3,82,000	8,29,000



EDCL POWER PROJECTS LIMITED

Particulars	As at 31st March 2017 (₹)	As at 31st March 2016 (₹)
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NOTE 6

TRADE PAYABLES

For goods & services

- Dues to Micro and Small Enterprises
- Dues to Others (*) (**)

-	-
4,105,918	2,237,221
4,105,918	2,237,221

(*) Includes ₹ 11,438 /- (Previous Year ₹ NIL/-) payable to Holding Company (Refer Note 23)

(**) Includes ₹ NIL /- (Previous Year ₹ 73,000/-) payable to related parties (Refer Note 23)

(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 7

OTHER CURRENT LIABILITIES

- Interest accrued and due on borrowings
- Capital Vendor
- Statutory Payables

14,380,274	6,178,190
31,055	-
1,729,892	1,647,139
16,141,221	7,825,329

NOTE 8

SHORT TERM PROVISIONS

- Provision for Employee benefits

78,000	2,000
78,000	2,000



EDCL POWER PROJECTS LIMITED

**NOTE 9
FIXED ASSETS**

Name of the Assets	GROSS BLOCK (AT COST)			DEPRECIATION/ AMORTISATION			NET BLOCK		
	As at 31.03.2016 (₹)	Additions (₹)	Deductions / Adjustments (₹)	As at 31.03.2017 (₹)	As at 31.03.2016 (₹)	During the year	Up to 31.03.2017 (₹)	As at 31.03.2017 (₹)	As at 31.03.2016 (₹)
(A) Tangible Assets									
Freehold Land	6,280,405	-	-	6,280,405	-	-	-	6,280,405	6,280,405
Buildings and Roads	64,050,633	-	-	64,050,633	17,915,608	2,039,642	19,955,250	44,095,383	46,135,025
Plant & Equipment [Note (b)]	160,098,263	11,220,517	-	171,318,780	49,026,223	5,408,725	54,434,948	116,883,832	111,072,040
Hydraulic Works	148,557,473	-	-	148,557,473	45,226,157	4,568,306	49,794,463	98,763,010	103,331,316
Transmission Lines, Transformers, Cable, Network, etc [Note (a)]	15,636,477	-	-	15,636,477	4,722,619	482,506	5,205,125	10,431,353	10,913,858
Office Equipment	1,426,491	128,700	-	1,555,191	1,367,037	71,908	1,438,945	116,247	59,455
Furniture and Fixtures	810,047	5,000	-	815,047	666,650	46,416	713,066	101,981	143,397
Motor Vehicle	355,410	-	-	355,410	351,329	1,570	352,899	2,512	4,081
Total (A)	397,215,199	11,354,217	-	408,569,416	119,275,623	12,619,072	131,894,695	276,674,723	277,939,577
(B) Intangible Assets									
Computer Software	12,024	-	-	12,024	12,024	-	12,024	-	-
Total (B)	12,024	-	-	12,024	12,024	-	12,024	-	-
TOTAL (A+B)	397,227,223	11,354,217	-	408,581,440	119,287,647	12,619,072	131,906,719	276,674,723	277,939,577
Previous Year	397,682,894	19,888	475,559	397,227,223	107,593,705	12,130,328	119,287,646	277,939,577	-

Note :

(a) 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.

(b) Spare parts, earlier treated as inventories under AS 2- Valuation of Inventories, and which are now required to be capitalised in accordance with AS 10- Property, Plant and Equipment, have been so capitalised at their respective carrying amounts of inventories on 1st April, 2016 and included in additions / adjustments to plant and equipment above.



EDCL POWER PROJECTS LIMITED

Particulars	As at 31st March 2017 (₹)	As at 31st March 2016 (₹)
-------------	------------------------------	------------------------------

NOTE 10

DEFERRED TAX ASSETS (NET)

Deferred Tax Assets (*)	5,209,542	6,220,060
	5,209,542	6,220,060

(* Break Up of Deferred Tax Assets

Depreciation Difference	4,730,020	5,567,641
Provision for bad & doubtful debts	126,742	395,641
Expenses allowable on payment basis	352,780	256,778
	5,209,542	6,220,060

Note :

a) In absense of virtual certainty, deferred tax assets with respect to remaining amount of unabsorbed losses and unabsorbed depreciation has not been recognised.

NOTE 11

LONG TERM LOANS AND ADVANCES

(Unsecured, considered good)

Security Deposits	18,584	18,584
Advance Income Tax (Net of Provision)	280,200	280,200
Receivable from Gratuity Fund	355,000	-
	653,784	298,784

NOTE 12

OTHER NON CURRENT ASSETS

Other Bank Balances

- on Margin Money Accounts (*) (with more than 12 months maturity)	75,000	75,000
	75,000	75,000

(*) Deposited with Sales Tax Authorities

NOTE 13

INVENTORIES

(At Lower of Cost and Net Realisable Value)

(As taken, valued and certified by the management)

Stores, Spares and Consumables [Refer Note 9(b)]	176,810	8,183,899
Goods in transit (*)	269,663	-
	446,473	8,183,899

(* Under Broad Heads

Machinery Spares and Parts	269,663	-
	269,663	-

NOTE 14

TRADE RECEIVABLES

(Unsecured, considered good)

Debts outstanding for a period of less than six months	2,642,935	2,479,292
	2,642,935	2,479,292

(Unsecured, considered doubtful)

Outstanding for a period of more than six months	1,280,391	1,280,391
Less : Provision for Bad & Doubtful Debts	1,280,391	1,280,391



EDCL POWER PROJECTS LIMITED

Particulars	As at 31st March 2017 (₹)	As at 31st March 2016 (₹)
-------------	------------------------------	------------------------------

NOTE 15

CASH AND BANK BALANCES

Balance with Banks on Current Accounts	561,474	948,193
Cash on hand	43,132	23,461
	604,605	971,653

NOTE 16

SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good)

Prepaid Expenses	346,914	651,554
Other Advances (*)(**)	122,093	1,970,032
	469,007	2,621,586

(*) Includes ₹ 1,365 /- (Previous Year ₹ NIL/-) recoverable from Holding Company (Refer Note 23)

(**) Includes ` 11,679/- (Previous Year ` 118,000/-) recoverable from Related Parties (Refer Note 23)

NOTE 17

OTHER CURRENT ASSETS

(Unsecured, considered good)

Interest Receivable	21,298	13,313
	21,298	13,313



EDCL POWER PROJECTS LIMITED

Particulars	Year ended 31st March 2017 (₹)	Year ended 31st March 2016 (₹)
-------------	-----------------------------------	-----------------------------------

NOTE 18

REVENUE FROM OPERATIONS

Sale of Products

- Hydro power (*)

3,15,86,389	4,46,54,123
3,15,86,389	4,46,54,123

(*) Total number of the units generated and sold (In million units)

- Hydro power

12.95 m.u.

18.30 m.u.

NOTE 19

OTHER INCOME

Insurance Claim received

Interest Income

Liability no longer required written back

Miscellaneous Income

9,23,466	1,29,000
7,985	2,58,640
7,28,533	15,787
-	2
16,59,984	4,03,429



EDCL POWER PROJECTS LIMITED

Particulars	Year ended 31st March 2017 (₹)	Year ended 31st March 2016 (₹)
-------------	-----------------------------------	-----------------------------------

NOTE 20

EMPLOYEE BENEFIT EXPENSES

Salaries & Wages	62,89,703	65,18,522
Contribution to Provident and other Funds	2,82,001	4,80,966
Staff Welfare Expenses	10,58,021	9,31,622
	76,29,725	79,31,110

Employees Benefits:

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

(i) Defined Contribution Scheme

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

Employer's Contribution to Provident Fund ₹ 77,432 /- (Previous year ₹ 82,362/-)
Employer's Contribution to Pension Fund ₹ 1,76,105 /- (Previous year ₹ 1,87,075/-)

(ii) Defined Benefit Scheme

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

Particulars	(₹ in lacs)			
	Gratuity (Funded) 2016-2017	Leave Encashment (Non-Funded) 2016-2017	Gratuity (Funded) 2015-2016	Leave Encashment (Non-Funded) 2015-2016
Expenses Recognized in the Profit & Loss Account				
1 Current Service Cost	2.21	1.83	2.47	2.08
2 Interest Cost	1.29	0.52	1.03	0.43
3 Expected return on plan assets	(1.32)	-	(1.01)	-
4 Actuarial Losses / (Gains)	(7.39)	(4.39)	(0.68)	(1.76)
Total Expenses	(5.21)	(2.04)	1.81	0.75
Change in the obligation during the year				
1 Present value of Defined Benefit Obligation at the beginning of the year	16.33	6.64	13.18	5.60
2 Current Service Cost	2.21	1.83	2.47	2.08
3 Interest Cost	1.29	0.52	1.03	0.43
4 Benefit Paid	-	-	-	(0.10)
5 Acquisition Cost / (Credit)	-	-	0.45	0.39
6 Actuarial (Gains) / Losses	(7.61)	(4.39)	(0.80)	(1.76)
7 Present value of Defined Benefit Obligation at the end of the year	12.22	4.60	16.33	6.64
Change in Assets during the year ended March 31, 2017				
1 Plan Assets at the beginning of the year	14.67	-	9.02	-
2 Acquisition Adjustment	-	-	0.39	-
3 Contribution by Employer	-	-	-	-
4 Expected return on plan assets	1.32	-	1.01	-
5 Actual Company Contributions	-	-	4.37	-
6 Benefit Paid	-	-	-	-
7 Actuarial Gains / (Losses)	(0.22)	-	(0.12)	-
Plan Assets at the end of the year	15.77	-	14.67	-
Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the year ended March 31, 2017				
1 Net Asset / (Liability) at beginning of the year	(1.66)	(6.64)	(4.16)	(5.60)
2 Acquisition Adjustment	-	-	(0.06)	(0.39)
3 Employer Expenses	5.21	2.04	(1.81)	(0.75)
4 Employer Contributions	-	-	4.37	0.10
5 Net Asset / (Liability) at the end of the year	3.55	(4.60)	(1.66)	(6.64)
Actuarial Assumptions				
1 Discount Rate	7.20%	7.20%	7.90%	7.90%
2 Expected Rate of Return on Plan Assets	9.00%	Not Applicable	9.00%	Not Applicable
3 Salary Escalation Rate	7.00%	7.00%	10.00%	10.00%

Particulars	(₹ in lacs)		
	Gratuity (Funded)		
	2016-2017	2015-2016	2014-2015
Present value of defined benefit obligations	(12.22)	(16.33)	(13.18)
Fair value of plan assets	15.77	14.67	9.02
Surplus/(Deficit)	3.55	(1.66)	(4.16)
Experience adjustment on plan liabilities (loss)/gain	2.29	0.48	(3.50)
Experience adjustment on plan assets (loss)/gain	(0.22)	(0.12)	-
Actuarial Gain / (Loss) due to change on assumptions	5.32	0.32	-

(iv) Details of Plan assets	Gratuity (Funded)	
	2016-2017	2015-2016
Other assets including under scheme of insurance	100%	100%
Actual return on plan assets	1.10	0.89

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.
- Acquisition adjustment represents amount in respect of certain employees transferred into / transferred from the company.
- The expected contribution to the fund by the company during the year 2017-18 is yet to be determined.



EDCL POWER PROJECTS LIMITED

Particulars	Year ended 31st March 2017 (₹)	Year ended 31st March 2016 (₹)
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NOTE 21

FINANCE COSTS

Interest Expenses	2,40,00,000	2,93,85,203
	2,40,00,000	2,93,85,203

NOTE 22

OTHER EXPENSES

Payment to Auditors (excluding Service tax):		
- As Auditors	50,000	50,000
- For Taxation matters	25,000	25,000
- For Other Services	25,000	-
Cost of Power Purchased	95,819	52,777
Stores and Spares consumed (Indigenous) (*)	7,26,779	9,62,686
Discount & Rebate	6,30,635	8,92,029
Rent (Refer Note 24)	22,20,226	7,35,654
Repairs & Maintenance :		
- Plant & Machinery	84,89,727	82,85,284
- Others	1,52,343	2,19,022
Rates & Taxes	15,26,373	22,74,499
Travelling Expense	1,24,750	2,64,626
Insurance	6,88,936	8,75,874
Legal & Professional charges	1,79,800	1,01,05,166
Security Services	6,61,422	5,41,941
Telephone,Fax,Postal etc.	1,03,915	90,296
Fixed Assets Scrapped	-	39,172
Irrecoverable Balance Written off	1,000	-
Miscellaneous Expenses	3,69,719	8,46,829
	1,60,71,444	2,62,60,855

(*) Value of consumption of stores and spare parts:

(i) The entire consumption is out of indigenous supplies.

(ii) Consumption as above includes ₹ NIL /- (Previous Year ₹ 498,199/-) on account of amortisation of spares.

(iii) Stores and Spare parts included in inventory are largely consumed as replacements and hence their consumption may not be comparable on a year on year basis.



EDCL POWER PROJECTS LIMITED

NOTE 23

RELATED PARTY DISCLOSURES PURSUANT TO ACCOUNTING STANDARD - 18

Relationship	Name of the Parties
a) Holding Company	Energy Development Company Limited
b) Related Parties	Ayyappa Hydro Power Limited
	Sarju Valley Hydel Projects Company Private Limited
	Arunachal Hydro Power Limited (till 27th March 2017)
	EDCL Tawang Upper Tsachu Hydro Electric Private Limited (till 27th March 2017)
	EDCL Seppa Jung Power Private Limited (till 27th March 2017)
	EDCL Seppa Marjingla Hydro Electric Private Limited (till 27th March 2017)
c) Key Managerial Personnel (KMP)	Sanjiv Saraf (Executive Director) (w.e.f 27th July, 2016)
d) Individuals having significant influence directly or indirectly (Promoter and their relatives)	Amar Singh
	Pankaja Kumari Singh (Director)

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

Particulars	2016-17 (₹)	2015-16 (₹)
Transactions during the year:		
i) Unsecured Loan received	17,890,000	265,375,000
ii) Unsecured Loan repaid	11,625,000	250,700,000
iii) Expenses incurred by the party on behalf of the company	1,933,816	5,512,581
iv) Expenses Reimbursed to the party	1,922,378	5,512,581
v) Expenses incurred by the company on behalf of the party	638,908	-
vi) Expenses Reimbursed to the company	637,543	-
Balances as at the year end :		
i) Unsecured Loans	22,790,000	16,525,000
ii) Other Advance	1,365	-
iii) Trade Payable	11,438	-



EDCL POWER PROJECTS LIMITED

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

Particulars	2016-17 (₹)	2015-16 (₹)
Transactions during the year		
i) Expenses incurred by the party on behalf of the company		
- Sarju Valley Hydel Projects Company Private Limited	-	210,000
- EDCL Seppa Jung Power Private Limited	-	168,082
- EDCL Tawang Upper Tsachu Hydro Electric Private Limited	-	44,891
ii) Expenses Reimbursed to the party		
- Sarju Valley Hydel Projects Company Private Limited	-	210,000
- EDCL Seppa Jung Power Private Limited	-	168,082
- EDCL Tawang Upper Tsachu Hydro Electric Private Limited	-	44,891
iii) Expenses incurred by the company on behalf of the party		
- Ayyappa Hydro Power Limited.	105,437	56,377
- Arunachal Hydro Power Limited	7,800	-
- EDCL Seppa Marjingla Hydro Electric Private Limited	-	378,482
iv) Expenses Reimbursed to the company		
- Ayyappa Hydro Power Limited.	219,558	56,377
- EDCL Seppa Marjingla Hydro Electric Private Limited	-	378,482
v) Net Provision (Liability - Assets) for Employee Retirement Benefits transferred (to) / from the party :		
- Gratuity	-	6,000
- Leave Encashment	-	39,000
Balances as at the year end :		
i) Other Advances	11,679	118,000
ii) Trade Payable	-	73,000

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

Particulars	2016-17 (₹)	2015-16 (₹)
Transactions during the year:		
i) Board Meeting Fees		
- Sanjiv Saraf	7,500	-

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

Particulars	2016-17 (₹)	2015-16 (₹)
Transactions during the year:		
i) Board Meeting Fees		
- Pankaja Kumari Singh	5,000	7,500

Notes:

(i) In respect of above parties, there is no provision for doubtful debts as on 31st March 2017 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.



EDCL POWER PROJECTS LIMITED

NOTE 24 **OPERATING LEASES**

The company has taken several premises under cancellable operating leases. The lease term is upto 3 years and have the option of renewal on expiry of the lease period based on mutual agreement of both the parties. Rental expenses towards cancellable operating lease charged to statement of profit and loss amounts to ₹ 21,96,000/- (Previous year ₹ 6,96,000/-). The aggregate lease rentals are included as "Rent" in Note 22 of the financial statement.

NOTE 25 **EARNING PER SHARE (EPS)**

Particulars	2016-17 (₹)	2015-16 (₹)
Basic and Diluted Earnings Per Share calculated as under:		
Profit/(Loss) after tax for the year	(2,80,84,387)	(3,09,57,795)
Weighted Average Number of Equity Shares issued (Nos.)	37,50,000	37,50,000
Basic and Diluted Earnings per Share (Face Value ₹ 10/- per share fully paid up)	(7.49)	(8.26)

NOTE 26 **SEGMENT REPORTING**

The company is engaged primarily in the business of "generation of electricity" and all other activities are incidental thereto. Further, the company operates entirely in the domestic market where its operations are governed by the same set of risks and returns. 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 27 **NOTE PURSUANT TO MCA NOTIFICATION NO. GSR 308(E) dated 30th March,2017**

Details of 'Specified Bank Notes' (SBN) held and transacted during the period 08th November, 2016 to 30th December, 2016 is provided in the Table below :-

Particulars	SBNs (₹)	Other denomination notes (₹)	Total (₹)
Closing cash in hand as on 8-11-2016	-	40,751	40,751
(+) Permitted receipts	-	1,59,000	1,59,000
(-) Permitted payments	-	(1,27,013)	(1,27,013)
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30-12-2016	-	72,738	72,738



EDCL POWER PROJECTS LIMITED

NOTE 28
COMPARATIVES

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
Membership No. 055104

Place : Kolkata
Dated : 29th May, 2017




For and on behalf of the Board of Directors


Sanjiv Saraf (Executive Director) (DIN 00506650)


Tarun Chaturvedi (Director) (DIN 02309045)


Vijoy Kumar (Director) (DIN 02970626)


Amit Damani (Chief Financial Officer)


Subramanian Krishnan (Company Secretary)

EDCL POWER PROJECTS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	31.03.2017		31.03.2016	
	AMOUNT (₹)	AMOUNT (₹)	AMOUNT (₹)	AMOUNT (₹)
A) Cash Flow From Operating Activities:				
Profit/ (Loss) before taxation		(2,70,73,867)		(3,06,49,944)
Adjustments for :				
Depreciation and amortization expenses	1,26,19,072		1,21,30,328	
Amortisation of Stores, Spares & Tools	-		4,98,199	
Interest Income	(7,985)		(2,58,640)	
Liability no Longer required written back	(7,28,533)		(15,787)	
Fixed Asset Scrapped	-		39,172	
Irrecoverable balance written off	1,000		-	
Interest Expenses	2,40,00,000	3,58,83,554	2,93,85,203	4,17,78,475
Operating Profit before Working Capital Changes		88,09,687		1,11,28,531
Adjustments for :				
(Increase)/ Decrease in trade and other receivables	16,32,936		20,57,119	
(Increase)/ Decrease in inventory	(3,03,196)		23,018	
(Decrease)/ Increase in trade payables & Other Payables	23,08,983	36,38,722	20,07,179	40,87,316
Cash generated from operations		36,38,722		40,87,316
Direct Taxes paid (Net of refund)		-		17,72,293
Net Cash Flow from Operating Activities		1,24,48,409		1,69,88,139
B) Cash flow from investing activities :				
Purchase of Fixed Assets	(32,82,541)		(19,887)	
Interest received	-	(32,82,541)	2,51,317	2,31,430
Net Cash Flow from Investing Activities		(32,82,541)		2,31,430
C) Cash flow from financing activities :				
Interest Paid	(1,57,97,916)		(3,11,67,012)	
Proceeds from (Repayment) of Borrowings (Net)	62,65,000	(95,32,916)	1,46,75,000	(1,64,92,012)
Net Cash flow from Financing Activities		(95,32,916)		(1,64,92,012)
Net Increase/(Decrease) in Cash and Cash Equivalents		(3,67,048)		7,27,557
Cash and Cash equivalents at the beginning of the year		9,71,654		2,44,097
Cash and Cash equivalents at the end of the year		6,04,605		9,71,654
(Refer Note 15)				
Significant Accounting Policies	1			

The accompanying notes(1-28) form an integral part of financial statements.

Note:

1. The Cash Flow Statement is prepared by the " Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement.
2. Previous year's figures have been regrouped and rearranged wherever considered necessary.

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



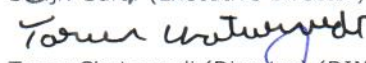
H K Verma
Partner
Membership No. 055104

Place : Kolkata
Dated : 29th May, 2017



For and on behalf of the Board of Directors


Sanjiv Saraf (Executive Director) (DIN 00506650)


Tarun Chaturvedi (Director) (DIN 02309045)


Vijoy Kumar (Director) (DIN 02970626)


Amit Damani (Chief Financial Officer)


Subramanian Krishnan (Company Secretary)