

INDEPENDENT AUDITORS' REPORT**To the Members of EDCL – Seppa Pachuk Power Private Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of **EDCL – Seppa Pachuk Power Private Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2015, 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 read with Rule 7 of Companies (Accounts) Rules, 2014. 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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, 2015, its losses and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 10 to the financial statements which describes that the Company has been granted permission for setting up a hydel power plant wherein project survey, geological investigation and formulation of Detailed Project Report (DPR) and other allied works are under progress. Pending approval of DPR and determination of viability thereof, administrative and other expenses including finance cost incurred aggregating to Rs. 3,878.76 lacs are being carried forward as pre-operative expenses under Capital Work In Progress. Adjustments in this respect or allocation thereof to the project cost etc. will be carried out on determination of implementation status of the project.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, 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 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations as at the 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: 28th May, 2015



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

A handwritten signature in blue ink, appearing to read "H.K. Verma".

H.K.Verma
Partner
Membership No: 055104

EDCL – Seppa Pachuk Power Private Limited
Annexure 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 the information and explanations given to us, the Company has not granted any loans, secured and unsecured to any companies, firms 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) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of equipment. During the course of our audit, we have not observed any continuing failure to correct weaknesses in the internal control system. The company has no purchase of inventories or any sale of goods during the year.
- 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) Since the Company has not commenced its operations, the requirement for maintenance of cost records as prescribed by the Central Government under section 148(1) of the Act, is not applicable to the company.
- vii) (a) According to the information and explanations given to us, except with respect to professional tax, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues of tax deducted at source and service tax. There are no undisputed amounts payable in respect of aforesaid dues for a period of more than six months from the date they become payable except Rs. 9,725 in respect of professional tax. Other statutory dues like Provident Fund, Investor Education & Protection Fund, Employee's State Insurance, Sales Tax, Income Tax, Wealth Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, etc. are not applicable to the 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 any disputes.

(c) According to the information and explanations given to us, there are no amounts due to be transferred to Investor Education and Protection Fund.
- viii) The Company has been registered for a period of less than five years. Accordingly the provisions of clause 3 (viii) of the order related to accumulated losses at the end of the year and cash losses in the financial year are not applicable to the Company.



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

Place: Kolkata
Date: 28th May, 2015



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

H.K. Verma

H.K.Verma
Partner

Membership No: 055104

EDCL SEPPA PACHUK POWER PRIVATE LIMITED
Balance Sheet as at 31st March, 2015

Amount In ₹

Particulars	Note No.	As at 31st March 2015	As at 31st March 2014
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	10,55,00,000	4,95,00,000
Reserves and Surplus	3	26,05,58,481	3,70,97,853
		36,60,58,481	8,65,97,853
Non-current Liabilities			
Long-term borrowings	4	11,28,183	25,07,18,183
Long-term provisions	5	3,77,000	-
		15,05,183	25,07,18,183
Current Liabilities			
Short-term borrowings	6	12,00,000	-
Trade payables	7	18,28,765	30,41,823
Other current liabilities	8	1,77,64,240	1,83,39,809
Short-term provisions	9	1,01,000	-
		2,08,94,005	2,13,81,632
Total		38,84,57,669	35,86,97,668
<u>ASSETS</u>			
Non-current assets			
Fixed assets	10	38,79,06,151	35,84,95,657
- Capital work-in-progress			
Current assets			
Cash and Cash Equivalents	11	3,18,097	-
Short-term loans and advances	12	2,33,421	2,02,011
		5,51,518	2,02,011
Total		38,84,57,669	35,86,97,668
Significant Accounting Policies	1		
The accompanying notes(1-22) 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. 55104



Place : Kolkata
Dated : 28th May, 2015

For and on behalf of the Board of
Directors

Splink

AEOLU

Directors

EDCL SEPPA PACHUK POWER PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March, 2015

Amount In ₹

Particulars	Note No.	Year ended 31st March 2015	Year ended 31st March 2014
REVENUE :			
Revenue from operations		-	-
Other Income	13	4	-
Total Revenue		4	-
EXPENSES :			
Employee Benefit Expenses	14	61,54,391	10,50,688
Finance Cost	15	1,55,85,372	3,12,34,484
Other expenses	16	81,90,681	1,68,02,902
		2,99,30,444	4,90,88,074
Less : Expenditure transferred to Capital Work-In-Progress		2,93,91,068	4,90,34,894
Total Expenses		5,39,376	53,180
Profit/(Loss) before tax		(5,39,372)	(53,180)
Tax expense:			
- Current tax		-	-
- Deferred tax		-	-
		-	-
Profit/(Loss) after tax for the year		(5,39,372)	(53,180)
Earnings per equity share of ₹ 10 each, fully paid up	19		
- Basic & Diluted		(4.10)	(4.27)
Significant Accounting Policies	1		

The accompanying notes(1-22) 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. 55104



Place : Kolkata
Dated : 28th May, 2015

For and on behalf of the Board of Directors

Spl. mk.
Colli

Directors

EDCL SEPPA PACHUK POWER PRIVATE LIMITED

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

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) Borrowing Cost

Borrowing cost incurred in relation to the acquisition, construction of qualifying asset are capitalised as part of cost of such assets.

D) Expenditure during construction period

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

E) Employee Benefits

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

F) 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 SEPPA PACHUK POWER PRIVATE LIMITED

PARTICULARS	As at 31st March 2015 ₹	As at 31st March 2014 ₹
Note 2		
SHARE CAPITAL		
Authorised		
67,50,000 (1,000,000) Equity shares of ₹ 10/- each	6,75,00,000	1,00,00,000
400,000 (400,000) 10% Cumulative Redeemable Preference Shares of ₹ 100/- each	4,00,00,000	4,00,00,000
	10,75,00,000	5,00,00,000
Issued, Subscribed & Paid-up		
65,50,000 (950,000) Equity shares of ₹ 10/- each fully paid up	6,55,00,000	95,00,000
	6,55,00,000	95,00,000
400,000 (400,000) 10% Cumulative Redeemable Preference Shares of ₹ 100/- each fully paid up (Redeemable within 20 years of allotment i.e, 31.03.2012)	4,00,00,000	4,00,00,000
	4,00,00,000	4,00,00,000
Total:	10,55,00,000	4,95,00,000

Reconciliation of outstanding number of Equity shares

Opening	9,50,000	9,50,000
Add : Issued during the year	56,00,000	-
Closing	65,50,000	9,50,000

Reconciliation of outstanding number of Preference shares

Opening	4,00,000	4,00,000
Closing	4,00,000	4,00,000

Shareholders holding more than 5% shares :-

a) Equity shares :		
- Energy Development Company Limited (Ultimate Holding Company)	400,000 (6.11 %)	950,000 (100%)
- Arunachal Hydro Power Limited (Holding Company)	61,50,000 (93.89 %)	-
b) Preference Shares :		
- Startrack Vinimay Private Limited	200,000 (Nos) (50%)	200,000 (Nos) (50%)
- Sarvottam Caps Private Limited	200,000 (Nos) (50%)	200,000 (Nos) (50%)

Rights, preferences and restrictions attaching to each classes of shares including restriction on the distribution 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) 10% Redeemable Preference Share would carry 10% Fixed Dividend on cumulative basis on outstanding unredeemed portion of the amount. In the event of liquidation of the Company before redemption of the said preference shares, the holders of these shares will have priority over equity shares in the payment of dividend and repayment of capital. The dividend, if any proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting.



EDCL SEPPA PACHUK POWER PRIVATE LIMITED

PARTICULARS	As at 31st March 2015 ₹	As at 31st March 2014 ₹
-------------	-------------------------------	-------------------------------

Note 3

RESERVES AND SURPLUS

Securities Premium Account

Opening balance	3,76,00,000	3,76,00,000
Add : Received on share issued during the year	22,40,00,000	-
Balance at the end of the year	<u>26,16,00,000</u>	<u>3,76,00,000</u>

Surplus/(Deficit) in Statement of Profit & Loss

Opening balance	(5,02,147)	(4,48,967)
Add : Profit/(Loss) for the year transferred from Statement of Profit & Loss	(5,39,372)	(53,180)
Balance at the end of the year	<u>(10,41,519)</u>	<u>(5,02,147)</u>

Total:	<u><u>26,05,58,481</u></u>	<u><u>3,70,97,853</u></u>
---------------	----------------------------	---------------------------

Note 4

LONG TERM BORROWINGS

(Unsecured)

Loans and advances from related parties

Loan from Ultimate Holding Company (Refer Note 17)	11,28,183	3,39,18,183
Loan from other related parties (*)	-	12,97,00,000

Loan from others

Loan from Bodies Corporate	-	8,71,00,000
	<u>11,28,183</u>	<u>25,07,18,183</u>

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

Terms of Repayment

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

Note 5

LONG TERM PROVISIONS

Provision for leave encashment	1,66,000	-
Provision for Gratuity	2,11,000	-
	<u>3,77,000</u>	<u>-</u>

Note 6

SHORT TERM BORROWINGS

(Unsecured)

(Repayable on demand)

Loan from fellow subsidiaries (Refer Note 17)	12,00,000	-
	<u>12,00,000</u>	<u>-</u>

Note 7

TRADE PAYABLES

For services (*)	18,28,765	30,41,823
	<u>18,28,765</u>	<u>30,41,823</u>

(*) [Includes ₹ 85,000/- (Previous year ₹ 2,426,976/-) paid to Ultimate holding Co. (Refer Note 17)]

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



EDCL SEPPA PACHUK POWER PRIVATE LIMITED

PARTICULARS	As at 31st March 2015 ₹	As at 31st March 2014 ₹
Note 8		
OTHER CURRENT LIABILITIES		
Interest Accrued and due on borrowings		
- Holding Company (Refer Note 17)	45,67,236	18,41,009
- Others Related Parties (*)	1,26,63,308	1,26,63,308
- Others	-	28,99,356
	<u>1,72,30,544</u>	<u>1,74,03,673</u>
Book Overdraft	-	18,659
Statutory Payable	5,33,696	9,17,477
	<u>1,77,64,240</u>	<u>1,83,39,809</u>

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

Note 9

SHORT TERM PROVISIONS

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

Note 10

CAPITAL WORK-IN-PROGRESS

Capital Work-in-Progress	38,79,06,151	35,84,95,657
	<u>38,79,06,151</u>	<u>35,84,95,657</u>

a) The Company on completion of pre-feasibility report has been granted permission for setting up of 84 MW Hydel power plant by the Government of Arunachal Pradesh. Project survey, geological investigation and formulation of Detailed Project Report (DPR) and other allied works are under progress. Pending approval of DPR and determination of viability thereof, administrative and other expenses including finance cost incurred are being carried forward as pre operative expenses under Capital Work In Progress. Adjustments in this respect or allocation thereof to the project cost etc. will be carried out on determination of implementation status of the project.

b) Capital Work In Progress includes Pre-operative expenditure incurred during implementation of project as given below :

Balance brought forward	35,84,84,948	30,94,50,054
Salary & Perquisites	61,54,391	10,50,688
Service Charges (paid to Ultimate holding company) (Refer Note 17)	-	48,00,000
Rent	7,56,803	6,00,000
Rates & Taxes	6,65,924	8,83,325
Legal & Professional Charges	48,95,092	37,49,439
Travelling & Conveyance Expenses	8,14,961	10,10,450
Interest On Unsecured Loans (*)	1,55,62,548	3,12,04,100
Other Borrowing Expenses	22,824	30,384
Contract Charges	-	1,31,500
Project Development Cost	99,577	52,56,493
Miscellaneous Expenses	4,18,948	3,18,515
Balance carried forward	38,78,76,016	35,84,84,948

(*) [Includes ₹ 50,74,707/- (Previous year ₹ 2,045,566/-) paid to Ultimate holding Co. (Refer Note 17)]

Note 11

CASH AND CASH EQUIVALENTS

Balance with Banks		
- on Current Accounts	3,18,097	-
	<u>3,18,097</u>	<u>-</u>

Note 12

SHORT TERM LOANS & ADVANCES

(Unsecured, considered good)

Advance (*)	2,33,421	2,02,011
	<u>2,33,421</u>	<u>2,02,011</u>

(*) Includes ₹ 1,63,000/- (Previous year ₹ 1,40,000/-) paid to Ultimate holding Co. (Refer Note 17)]



EDCL SEPPA PACHUK POWER PRIVATE LIMITED

PARTICULARS	Year ended	Year ended
	31st March 2015	31st March 2014
	₹	₹

Note 13

OTHER INCOME

Liability no longer required written back

4	-
4	-

Note 14

EMPLOYEE BENEFIT EXPENSES

Salary & wages

Contribution to Provident & Other Fund

Staff Welfare

53,18,283	10,50,688
3,03,872	-
5,32,236	-
61,54,391	10,50,688

Employees Benefits:

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

(i) Defined Benefit Scheme

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

(₹ in lacs)

Particulars	Gratuity	Leave Encashment
	(Funded)	(Non-Funded)
Expenses Recognized in the Statement of Profit & Loss	31.03.2015	31.03.2015
1 Current Service Cost	1.37	1.09
2 Interest Cost	-	-
3 Expected return on plan assets	-	-
4 Actuarial Losses / (Gains)	-	-
Total Expenses	1.59	-
Change in the obligation during the year	2.96	1.09
1 Present value of Defined Benefit Obligation at the beginning of the year	-	-
2 Current Service Cost	1.37	1.09
3 Interest Cost	-	-
4 Benefit Paid	-	-
5 Acquisition Cost/(Credit)	-	(0.05)
6 Actuarial (Gains) / Losses	3.72	1.63
7 Present value of Defined Benefit Obligation at the end of the year	1.59	-
Change in Assets during the year ended March 31, 2015	6.68	2.67
1 Plan Assets at the beginning of the year	-	-
2 Acquisition Adjustments	-	-
3 Contribution by Employer	4.56	-
4 Expected return on plan assets	-	-
5 Actual Company Contribution	-	-
6 Benefit Paid	0.01	-
7 Actuarial Gains / (Losses)	-	-
Plan Assets at the end of the year	4.57	-
Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the year ended March 31, 2015		
1 Net Asset / (Liability) at beginning of the year	-	-
2 Acquisition	0.84	(1.63)
3 Employer Expenses	(2.96)	(1.09)
4 Employer Contributions	0.01	0.05
5 Net Asset / (Liability) at the end of the year	(2.11)	(2.67)
Actuarial Assumptions		
1 Discount Rate	7.80%	7.80%
2 Expected Rate of Return on Plan Assets	9.00%	Not Applicable
3 Rate of Salary Increases	10.00%	10.00%

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

Particulars	Gratuity (Funded)	
	2014-2015	2013-2014
Present value of defined benefit obligations	(6.68)	-
Fair value of plan assets	4.57	-
Surplus/(Deficit)	(2.11)	-
Experience adjustment on plan liabilities (loss)/gain	(1.59)	-
Experience adjustment on plan assets (loss)/gain	-	-

Notes :

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

(b) During the year, certain employees have been transferred from the ultimate holding company without affecting their terms of employment and accordingly figures for the current year are not comparable with corresponding figures of the previous year.



EDCL SEPPA PACHUK POWER PRIVATE LIMITED

PARTICULARS	Year ended 31st March 2015 ₹	Year ended 31st March 2014 ₹
-------------	------------------------------------	------------------------------------

Note 15

FINANCE COST

Interest Expenses :

- Ultimate Holding Company (Refer Note 17)	50,74,707	20,45,566
- Others	1,04,87,841	2,91,58,534
	<u>1,55,62,548</u>	<u>3,12,04,100</u>
Other Borrowing Cost	22,824	30,384
	<u>1,55,85,372</u>	<u>3,12,34,484</u>

Note 16

OTHER EXPENSES

Payment to Auditors:

- As Audit Fees (excluding service tax)	20,000	20,000
Rates & Taxes	11,06,796	9,06,505
Rent Paid (Refer Note 18)	7,56,803	6,00,000
Maintainence Charges	1,04,296	10,639
Professional Charges	49,55,593	37,49,439
Service charges (*)	-	48,00,000
Project Development Expenses	99,577	52,56,493
Telephone Expenses (**)	1,65,830	2,62,026
Travelling Expenses	8,14,964	10,10,450
Miscellaneous Expenses (***)	1,66,822	1,87,350
	<u>81,90,681</u>	<u>1,68,02,902</u>

(*) Includes ₹ Nil /- (Previous year ₹ 48,00,000/-) paid to Ultimate holding Co. (Refer Note 17)

(**) Includes payment in foreign currency amounting to ₹ 137,673/-,(P.Y : ₹ 248,195/-)

(***) Includes Net Loss from Foreign Exchange Transactions ₹ 16,689/-,(P.Y : ₹ Nil /-)



EDCL SEPPA PACHUK POWER PRIVATE LIMITED

Note 17

Related Party disclosures pursuant to Accounting Standard - 18

Relationship	Name of the Party
a) Ultimate Holding Company	Energy Development Company Limited (Holding Company upto 16.03.2015)
b) Holding Company	Arunachal Hydro Power Limited (with effect from 17.03.2015)
c) Fellow Subsidiaries [through a subsidiary of (b)]	EDCL Seppa Jung Power Private Limited
d) Individuals having significant influence directly or indirectly (Promoter and their relatives)	Mr. Amar Singh
	Mrs. 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	2014-15 (₹)	2013-14 (₹)
Transactions during the year:		
i) Unsecured Loan received	3,37,10,000	2,48,19,197
ii) Unsecured Loan repaid	6,65,00,000	-
iii) Interest Expenses	50,74,707	20,45,566
iv) Service charges	-	48,00,000
v) Expenses incurred by the party on behalf of the company	32,74,075	2,30,030
vi) Expenses Reimbursed to the party	32,74,075	3,78,887
vii) Net Assets / Liabilities for Employee Retirement Benefits transferred by the party :		
Net Assets transferred (Gratuity)	85,000	-
Net Liabilities transferred (Leave Encashment)	1,63,000	-
Payables as at the year end :		
i) Unsecured Loans	11,28,183	3,39,18,183
ii) Interest accrued and due (Payable)	45,67,236	18,41,009
iii) Other Receivable	1,63,000	-
iv) Trade Payable	85,000	24,26,976

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

Particulars	2014-15 (₹)	2013-14 (₹)
Transactions during the year with holding co.		
Proceeds from issue of Equity Shares :		
Face Value of Equity Shares issued	5,60,00,000	-
Premium on Equity shares issued	22,40,00,000	-



EDCL SEPPA PACHUK POWER PRIVATE LIMITED

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

Particulars	2014-15 (₹)	2013-14 (₹)
Transactions during the year		
Unsecured Loan received	12,00,000	-
Payables as at the year end :		
Unsecured Loan	12,00,000	-

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

Particulars	2014-15 (₹)	2013-14 (₹)
Transactions during the year		
<u>Sitting Fees</u>		
Mr. Amar Singh	1,000	-
Payables as at the year end :		
<u>Sundry Creditors</u>		
Mr. Amar Singh	900	-

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

Particulars	2014-15 (₹)	2013-14 (₹)
Transactions during the year:		
i) Unsecured Loan received		
- Startrack Vinimay Private Limited	6,99,50,000	2,22,00,000
ii) Unsecured Loan repaid		
- Startrack Vinimay Private Limited	10,71,50,000	-
- Sarvottam Caps Private Limited	9,25,00,000	-
iii) Interest Expenses		
- Startrack Vinimay Private Limited	-	29,70,345
- Sarvottam Caps Private Limited	-	1,10,99,999
Payables as at the year end :		
i) Unsecured Loans		
- Startrack Vinimay Private Limited	-	3,72,00,000
- Sarvottam Caps Private Limited	-	9,25,00,000
ii) Interest accrued and due (Payable)		
- Startrack Vinimay Private Limited	26,73,310	26,73,310
- Sarvottam Caps Private Limited	99,89,998	99,89,998

Notes :

- i) In respect of above parties, there is no provision for doubtful debts as on 31st March, 2015 and no
- ii) The above Related Party information is as identified by the Management and relied upon by the



EDCL SEPPA PACHUK POWER PRIVATE LIMITED

Note 18

OPERATING LEASES :

The company has taken a premise under cancellable operating leases. The lease term is upto 1 year and has 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 ₹ 6,00,000 (Previous year ₹ 6,00,000). The aggregate lease rentals are included as "Rent" in Note 16 of the financial statement.

Note 19

EARNING PER SHARE (EPS) :

Particulars	2014-15 (₹)	2013-14 (₹)
Basic and Diluted Earnings per share has been computed as under:		
Profit/(Loss) after tax for the year	(5,39,372)	(53,180)
Less : Preference Dividend on 10% Cumulative Redeemable Preference Shares	40,00,000	40,00,000
Profit/(Loss) for the year attributable to the equity shareholders	(45,39,372)	(40,53,180)
Weighted Average Number of Equity Shares issued (Nos.)	11,07,863	9,50,000
Basic and Diluted Earnings per Share (Face Value ₹ 10/- per share, fully paid up)	(4.10)	(4.27)

Note 20

SEGMENT REPORTING

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

Note 21

CONTINGENT LIABILITY

Particulars	2014-15 (₹)	2013-14 (₹)
Arrears of dividend on Cumulative Preference shares	1,20,00,000	80,00,000

Note 22

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
M No. 55104



Place : Kolkata
Dated : 28th May, 2015

For and on behalf of the Board of
Directors

(Signature)

(Signature)

Directors

EDCL SEPPA PACHUK POWER PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

PARTICULARS	31.03.2015		31.03.2014	
	AMOUNT(₹)	AMOUNT(₹)	AMOUNT(₹)	AMOUNT(₹)
A) Cash Flow From Operating Activities:				
Profit/ (Loss) before tax		(5,39,372)		(53,180)
Adjustments for :		(5,39,372)		(53,180)
Liability no longer required written back		(4)		-
Operating Profit before Working Capital Changes		(5,39,376)		(53,180)
Adjustments for :				
Increase/(Decrease) Trade and Other payables	(13,10,623)		22,20,932	
Increase/(Decrease) Trade and Other Receivable	(31,410)	(13,42,033)	(1,52,055)	20,68,877
Net Cash Flow from Operating Activities		(18,81,409)		20,15,697
B) Cash Flow from Investing Activities				
Capital Work in Progress	(2,94,10,494)	(2,94,10,494)	(4,90,34,894)	(4,90,34,894)
Net Cash Flow from Investing Activities		(2,94,10,494)		(4,90,34,894)
C) Cash Flow from Financing Activities				
Proceeds from Issue of Equity Shares	28,00,00,000			
Proceeds from / (Repayment) of Borrowings	(24,83,90,000)	3,16,10,000	4,70,19,197	4,70,19,197
Net Cash flow from Financing Activities		3,16,10,000		4,70,19,197
Net Increase/(Decrease) in Cash & Cash Equivalents		3,18,097		-
Cash and Cash equivalents at the beginning of the year		-		-
Cash and Cash equivalents at the end of the year (Refer Note 11)		3,18,097		-
Significant Accounting Policies	1			
The accompanying notes(1-22) 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) Bank balance as at the year end has overdraft balance and is included in Other Current liabilities. Hence Cash and Cash equivalents has been reported Nil.
- 3) 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
H K Verma
Partner
M No. 55104



Place : Kolkata
Dated : 28th May, 2015

For and on behalf of the Board of Directors

Splind
ACOW

Directors