



# Energy Development Company Limited



Annual Report & Accounts 2017-2018



**23RD  
ANNUAL REPORT & ACCOUNTS  
2017 - 2018**



**ENERGY DEVELOPMENT  
COMPANY LIMITED**

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Annual General Meeting on Saturday,  
the 29th day of September, 2018 at 10:00  
A.M. at Harangi Hydro Electric Project,  
Vill. -Hulugunda, Taluka-Somawarpet,  
District - Kodagu, Karnataka - 571 233.

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Chairman

Mr. Amar Singh (*Non-Executive*)

#### Executive Director

Mr. Sanjiv Saraf (Upto 30.05.2018)  
Mr. Vinod Kumar Sharma (w.e.f 30.05.2018)

#### Directors

Mrs. Pankaja Kumari Singh  
Mr. Gouri Prasad Goenka  
Mr. Anil Gupta  
Mr. Bijay Kumar Garodia  
Mr. Vijoy Kumar  
Mr. Sanjay Kumar Gupta (Upto 15.03.2018)

#### Chief Financial Officer

Mr. Amit Damani (Upto 15.03.2018)  
Mr. Sunil Dutt Sharma (w.e.f 30.05.2018)

#### Company Secretary

Ms. Vijayshree Binnani

#### Statutory Auditors

M/s. ALPS & Co.  
Chartered Accountants

#### Registered Office

Harangi Hydro Electric Project  
Village - Hulugunda, Taluka - Somawarpet  
District - Kodagu, Karnataka - 571 233  
Phone : (08276) 277040; Fax : (08276) 277012  
E-mail : edclhhep@gmail.com  
www.edclgroup.com  
CIN : L85110KA1995PLC017003

#### Corporate Office

EDCL HOUSE  
1A, Elgin Road, Kolkata - 700 020  
Phone : (033) 4041 1983 / 1990 Fax : (033) 2290 3298  
E-mail : secretarial@edclgroup.com  
Website : www.edclgroup.com

#### Audit Committee

Mr. Vijoy Kumar (*Chairman*)  
Mr. Anil Gupta  
Mr. Amar Singh

#### Stakeholders Relationship Committee

Mrs. Pankaja Kumari Singh (*Chairperson*)  
Mr. Vijoy Kumar  
Mr. Sanjiv Saraf

#### Nomination and Remuneration Committee

Mr. Vijoy Kumar (*Chairman*)  
Mr. Anil Gupta  
Mr. Amar Singh

#### Principal Bankers

Allahabad Bank  
ICICI Bank Limited  
State Bank of India  
The Ratnakar Bank Limited  
United Bank of India  
Yes Bank Limited

#### Registrar and Share Transfer Agent

Niche Technologies Private Limited  
D-511, Bagree Market, 5th Floor  
71, Biplabi Rash Behari Basu Road  
Kolkata – 700 001  
Phone : (033) 2235 7270 / 7271  
E-mail : nichetechpl@nichetechpl.com

#### Stock Exchanges where Company's Shares are listed

BSE Limited  
National Stock Exchange of India Limited



## NOTICE TO THE MEMBERS

Notice is hereby given that the **23rd Annual General Meeting** of the Members of the Company will be held at its Registered Office at Harangi Hydroelectric Project, Village – Hulugunda, Taluka – Somawarpet, District – Kodagu, Karnataka – 571 233, on Saturday, the September 29, 2018 at 10:00A.M. to transact the following businesses :

### ORDINARY BUSINESSES :

1. To consider and adopt the Audited standalone and consolidated Financial Statements of the Company for the financial year ended on March 31, 2018 along with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the financial year ended on March 31, 2018.
3. To appoint a Director in place of Mr. Amar Singh (DIN : 00165567), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.

### SPECIAL BUSINESSES :

#### 4. Remuneration of Cost Auditors

To ratify the remuneration of the Cost Auditors for the financial year ending on March 31, 2019 and in this regard to consider and if thought fit, to pass the following as an **Ordinary Resolution** :

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the Company hereby ratifies the remuneration of M/s. N. Radhakrishnan & Co., Cost Auditors, appointed by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2019 at a remuneration of ₹ 40,000/- (Rupees Forty Thousand) only plus taxes and re-imbursement of out of pocket expenses, if any.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts and take steps as may be deemed necessary, proper or expedient to give effect to this resolution.”

#### 5. Appointment of Mr. Vinod Kumar Sharma as an Executive Director

To appoint Mr. Vinod Kumar Sharma (DIN: 02879206) as an Executive Director of the Company and in this regard to consider and if thought fit, to pass the following as a **Special Resolution** :

**“RESOLVED THAT** in accordance with the provisions of Sections 152, 196, 197 and 203 read with relevant Rules made thereunder and Schedule V to the Companies Act, 2013 (“the Act”) and other applicable provisions of the Act, if any, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, approval of the members of the Company be and is hereby accorded to the appointment and remuneration of Mr. Vinod Kumar Sharma (DIN: 02879206) as ‘Whole-time Director’ designated as ‘Executive Director’ of the Company for a period upto March 31, 2021 on the following terms and conditions :

### Salary :

#### a) Basic Salary :

₹ 1,50,000/- per month with annual increment upto 30% of basic salary, as may be decided by the Board.

#### b) Allowances, Perquisites & Benefits :

- i) House Rent Allowance / House Rent : The Company shall pay ₹ 90,000/- per month for House Rent Allowance / House Rent.
- ii) Special Allowance : The Company shall pay ₹ 60,000/- per month as Special Allowance.
- iii) Education Allowance : The Company shall pay ₹ 50,000/- per month for Education Allowance.
- iv) Books and Periodical Allowance : The Company shall pay ₹ 50,000/- per month for Books and Periodical Allowance.
- v) Car Allowance : The Company shall pay ₹ 25,000/- per month for Car Allowance.
- vi) Driver Allowance : The Company shall pay ₹ 25,000/- per month for Driver Allowance.



- vii) Total Annual Benefits on account of Leave Travel Concession, Medical & Incentive shall be 4 months' basic salary i.e. ₹ 6,00,000/- only.
- viii) Gratuity : Gratuity shall be paid equal to half month's salary for each completed year of service.
- ix) Personal Accident Insurance : Personal Accident Insurance Policy in accordance with the scheme applicable to senior employees of the Company.
- x) Leave and Leave Encashment : In accordance with the Rules of the Company or as decided by the Board.
- xi) Communication Facilities : Expenses incurred towards Mobile, Telephone / Telefax and other suitable communication facilities at the residence will be re-imbursed, as per the Rules of the Company.
- xii) Others : Such other perquisites, benefits and allowances in accordance with the Rules of the Company or as decided by the Board.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated, as per the provisions of Income Tax Act, 1961 and the Rules made thereunder, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

**c) Overall Remuneration :**

The aggregate of salary and perquisites / allowances, in any financial year shall not exceed the limits prescribed, from time to time under Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, as may for the time being be in force.

**d) Minimum Remuneration :**

In case of loss or inadequacy of profits in any financial year, during the tenure of his service, the payment of salary and perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Companies Act, 2013.

**Other Terms and Conditions :**

As long as Mr. Vinod Kumar Sharma functions as Executive Director of the Company, no sitting fee will be paid to him for attending the meetings of the Board of Directors or Committees thereof.

The Executive Director shall not become interested or otherwise concerned directly or through his wife and / or minor children, in any selling agency of the Company, without the prior approval of the Central Government, wherever applicable.

Mr. Sharma can take up directorship / membership of any Company / Organization / Committees set up by any body corporate / authorities, so long as it does not conflict with the interest of the Company.

Either party shall be entitled to terminate the appointment at any time by giving to the other party 180 days' notice in writing or salary in lieu thereof."

**"RESOLVED FURTHER THAT** any alteration / variation in aforesaid terms and conditions including remuneration can be made from time to time in accordance with the Rules and practices of the Company, which shall not exceed the limits specified under Section 197 read with relevant Rules made thereunder and Schedule V to the Act and such alteration / variation shall deem to have the consent of Board of Directors of the Company."

**"RESOLVED FURTHER THAT** Ms. Vijayshree Binnani, Company Secretary be and is hereby authorized to do all such other acts, deeds and things as may be required in connection with the above and to give effect to the above resolution."

Dated : August 11, 2018

Place : New Delhi

By Order of the Board

For Energy Development Company Limited

**Corporate Office :**

"EDCL House"

1A, Elgin Road,  
Kolkata – 700 020

Sd/-

Vijayshree Binnani  
(Company Secretary)





**NOTES :**

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**

*A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10 percent of the total share capital of the Company carrying voting rights. A member holding more than 10 percent of the total share capital of the Company and carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxy form and attendance slip are enclosed herewith the Annual Report. Members / Proxies / Authorized Representatives should bring their Attendance Slip duly filled in for attending the meeting.*

*Proxy holder shall carry his / her valid identity proof (Driving License, Voter ID Card, Passport, PAN card) in order to prove his / her identity.*

- 2) Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 3) The route map of the venue of the meeting is annexed towards the end of this Annual Report hereto and forms a part of this Notice.
- 4) Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Businesses to be transacted at the meeting is annexed hereto and the same should be taken as part of this Notice.
- 5) Information pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 regarding Directors seeking appointment / re-appointment at the meeting are provided as an annexure hereto.
- 6) The members may note that the Companies (Amendment) Act, 2017, effective from May 7, 2018 has done away with the requirement of annual ratification of appointment of Statutory Auditors. Therefore, the Company is not seeking any ratification of appointment of M/s. ALPS & Co., Chartered Accountants as the Auditors of the Company by the members at the ensuing Annual General Meeting.
- 7) The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 24, 2018 to Saturday, September 29, 2018 (both days inclusive) for the purpose of payment of dividend, if approved by the members at the meeting.
- 8) The record date for determining the names of members eligible for dividend on equity shares, if declared at the meeting, is September 22, 2018.
- 9) The dividend, as recommended by the Board, if approved by the members at this meeting, will be paid on or after September 29, 2018 to those members or their mandates whose names are registered on the Company's Register of Members:
- a) As Beneficial Owners as at the end of business hours on September 22, 2018 as per the lists to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of shares held in electronic form, and
- b) As members in the Register of Members of the Company after giving effect to all valid share transfers in physical form, which are lodged with the Company or its Registrar and Share Transfer Agent (RTA) i.e. Niche Technologies Pvt. Ltd. on or before September 22, 2018.
- 10) Members who have not yet encashed their dividend warrant(s) for the financial years ended on March 31, 2011 onwards, are requested to make their claims to the Company accordingly, without any delay. It may be noted that the unclaimed dividend for the financial year 2010-11 declared on September 13, 2011 can be claimed by the shareholders within October 16, 2018 after which such unclaimed dividend amount shall be transferred to the



‘Investor Education and Protection Fund’ of Central Government. Please note that after such transfer, it will not be possible for the Company to entertain any claim.

- 11) Members holding shares in dematerialized form are requested to intimate all changes with respect to their address including Pin Code, Bank Mandate, Income Tax Permanent Account Number, e-mail ID etc. to their respective Depository Participants for updation of the records.

Members holding shares in physical form are requested to intimate the said information to the Company’s RTA.

- 12) Members who hold shares in physical form in multiple folios in identical name or joint holding in the same order of names are requested to send the share certificates to the Company or its RTA for consolidating into single folio. The share certificates will be returned to the members after making requisite changes thereon.
- 13) Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company. Request may be made to the Company or its RTA for the Nomination Form. Members holding shares in electronic form are requested to contact their Depository Participants directly for recording their nomination.
- 14) The SEBI has mandated all the Companies to print the bank details of the investors on the payment instruments. Hence, while making revalidation requests the members are requested to give their bank account details to print the same in the dividend payment instruments.
- 15) The SEBI has mandated the submission of PAN by every participant in the security market. Members holding shares in electronic form / physical form are therefore, requested to submit their PAN to the Company or its RTA.
- 16) Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with the relevant Rules made there under and Regulation 36 and 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Members who have not yet registered their e-mail address with the Company or their respective Depository are requested to do so.
- 17) The Notice of Annual General Meeting & Annual Report 2017-18 will be sent to the members, whose names appear in the Register of Members / Register of Beneficial Owners maintained by the Depositories as at closing hours of business on August 17, 2018.
- 18) The Notice of Annual General Meeting & Annual Report 2017-18 will be sent by electronic mode only to the members whose e-mail addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the same will be sent by the permitted mode.
- 19) The Notice of Annual General Meeting & Annual Report 2017-18 will also be available on the Company’s website i.e. [www.edclgroup.com](http://www.edclgroup.com) and the website of the National Securities Depository Limited (NSDL) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- 20) All the documents referred to in the accompanying Notice and Statement alongwith Register of Directors and Key Managerial Personnel & Shareholding and Register of Contracts and Arrangements in which Directors are interested are open for inspection by the members at the Company’s Registered Office at Harangi Hydro Electric Project, Village – Hulugunda, Taluka – Somawarpet, District – Kodagu, Karnataka – 571 233 on all working days, between 11:00 A.M. to 01:00 P.M. till September 29, 2018.
- 21) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. September 22, 2018 shall be entitled to vote. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date.
- 22) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.
- 23) A person who is not a member as on the cut-off date should treat this notice for information purpose only.



## 24) VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members a facility to exercise their right to vote on the resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).
- II. The remote e-voting period commences on **September 26, 2018 (09:00 A.M.) and ends on September 28, 2018 (05:00 P.M.)**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 22, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- III. **The process and manner for remote e-voting are as under :**
  - A. **In case a member receives an e-mail from NSDL [for members whose e-mail IDs are registered with the Company / Depository Participant(s)] :**
    - (i) Open e-mail and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put user ID and password as initial password / PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting >Active Voting Cycles.
    - (vii) Select "EVEN" of "Energy Development Company Limited".
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [csmukeshc@gmail.com](mailto:csmukeshc@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - B. **In case a member receives physical copy of the Notice of AGM [for members whose e-mail IDs are not registered with the Company / Depository Participant(s) or requesting physical copy] :**
    - (i) Initial password is provided in the covering letter for this AGM (enclosed herewith).
    - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) of part A above, to cast vote.





- IV. In case of any query, you may refer the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
  - V. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
  - VI. Any person who acquires shares of the Company and become member after dispatch of the Notice and holding shares as on the cut-off date i.e. September 22, 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the RTA.
  - VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details / Password” option available at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- 25) The facility for voting through Ballot Form or Polling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.
  - 26) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
  - 27) Mr. Mukesh Chaturvedi, Practicing Company Secretary, (Membership No. 10213 and CP No. 3390) of 169, Arbinda Sarani, Ground Floor, Kolkata – 700 006 has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  - 28) The Scrutinizer will submit his Report to the Chairman or a person authorized by him, who shall declare the Result.
  - 29) The Result declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.edclgroup.com](http://www.edclgroup.com) and on the website of NSDL immediately after the declaration of Result. The Result shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

## STATEMENT PURSUANT TO SECTION 102(I) OF THE COMPANIES ACT, 2013

The following Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), sets out all material facts relating to the business mentioned at Item Nos. 4, and 5 of the accompanying Notice dated August 11, 2018 :

### Item No. 4

As recommended by the Audit Committee, the Board had on May 30, 2018, approved the appointment and remuneration of M/s. N. Radhakrishnan & Co., the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2019 at a remuneration of ₹ 40,000/- plus taxes and reimbursement of out of pocket expenses if any. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, ratification of the remuneration payable to the Cost Auditors for the financial year 2018-19 is being sought from the members by way of an Ordinary Resolution as set out at Item No. 4 of the Notice.

The Board recommends the resolution for approval by the members. None of the Directors / Key Managerial Personnel / their relatives are in any way deemed to be concerned or interested, in the said resolution, except as shareholder, if any.



#### Item No. 5

The Board of Directors of the Company in its meeting held on May 30, 2018 has appointed Mr. Vinod Kumar Sharma as 'Whole-time Director' designated as 'Executive Director' of the Company, for a period upto March 31, 2021 under the provisions of the Companies Act, 2013. The said appointment is subject to the approval of the members of the Company in this Annual General Meeting.

The said appointment has been recommended by the Nomination and Remuneration Committee of the Board and also approved by the Audit Committee of the Board.

In terms of Section 160 of the Act, the Company has received a notice in writing along with a deposit of ₹ 1,00,000/- from a member signifying his intention to propose the candidature of Mr. Vinod Kumar Sharma for the office of Executive Director. Mr. Vinod Kumar Sharma has furnished consent / declaration for his appointment as required under the Companies Act, 2013 read with the Rules made thereunder.

The following information is being given to the shareholders as per the requirement of Schedule V to the Companies Act, 2013:

#### I. General Information :

- (1) Nature of industry: Power Generation
- (2) Date or expected date of commencement of commercial production: January 04, 1996.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.
- (4) Financial performance based on given indicators :

(Amount in ₹)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Total Income	45,64,62,882	1,07,23,06,039
Profit before tax for the year	1,51,97,439	5,18,82,344
Total tax expenses	13,21,174	1,77,50,323
Net profit after tax for the year	1,38,76,265	3,41,32,021

- (5) Foreign investments or collaborations, if any: None

#### II. Information about the appointee :

- (1) Background details, job profile and his suitability: Mr. Vinod Kumar Sharma (Born on July 29, 1952) has done B.Sc. Engg. (Civil Engineering) from Punjab Engineering College. He has more than 41 years of rich experience with long track record of successful management in Hydro Power Development. He has vast experience in Hydro Project Development Process, Infrastructure Development, EPC and Contract Management, Project Management, Consultancy Services for Hydro Power Development. He was associated with the GMR Group and NHPC Ltd. in the past.
- (2) Past remuneration: ₹ 80,00,000/- for the financial year 2017-18.
- (3) Remuneration proposed: Given in detail in the proposed Resolution.
- (4) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): Not available.
- (5) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: None.

#### III. Other information :

- (1) Reasons of loss or inadequate profits: During the year ended March 31, 2018, the Company has earned profit after tax of ₹ 1,38,76,265/- as compared to previous year's profit after tax of ₹ 3,41,32,021/- including



exceptional gain of ₹ 5,39,00,000/-. The Company has invested in subsidiary companies (SPVs) and in associate for development of Hydroelectric Projects. Projects under 2 subsidiary companies are under development stage. The said investments will yield return to the Company only after the projects are developed and start generation.

- (2) Steps taken or proposed to be taken for improvement: Efforts are being made to complete the existing contracts as soon as possible to boost the profitability.
- (3) Expected increase in productivity and profits in measurable terms: The business of the Company is primarily generation of electricity and contract business. The generation of electricity depends of rain and wind which is not in any body's hand. Hence, it is not possible to predict increase in productivity and profits in measurable terms.

The appointment is being made in accordance with the provisions of Sections 152, 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Board recommends the proposed resolution for your approval.

Mr. Vinod Kumar Sharma, Executive Director shall be deemed to be concerned or interested in the resolution being the beneficiary.

None of the other Directors / Key Managerial Personnel / their relatives are in any way deemed to be concerned or interested, in the said resolution, except as shareholder, if any.

Dated : August 11, 2018

Place : New Delhi

**Corporate Office :**

"EDCL House"

1A, Elgin Road,

Kolkata – 700 020

By Order of the Board

*For* **Energy Development Company Limited**

Sd/-

**Vijayshree Binnani**  
**(Company Secretary)**



## ANNEXURE TO THE NOTICE OF 23RD ANNUAL GENERAL MEETING

### PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

In pursuance of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in pursuance of clause 1.2.5 of Secretarial Standard on General Meetings

Sl. No.	Particulars	Mr. Amar Singh	Mr. Vinod Kumar Sharma
1.	Status of directorship	Promoter, Non-Executive Director	Executive Director
2.	Relationship with other Directors and Key Managerial Personnel	Spouse of Mrs. Pankaja Kumari Singh	None
3.	Date of Birth	January 27, 1956	July 29, 1952
4.	Date of appointment	February 05, 1996	May 30, 2018
5.	Qualification	B. A., LLB	B.Sc. Engg. (Civil Engineering) from Punjab Engineering College.
6.	Expertise in specific functional areas	Mr. Amar Singh was a member of Rajya Sabha since November 1996 to 2014 and then again continuing from July, 2016. He is an eminent politician and an expert in management.	Mr. Vinod Kumar Sharma has more than 41 years of rich experience with long track record of successful management in Hydro Power Development. He has vast experience in Hydro Project Development Process, Infrastructure Development, EPC and Contract Management, Project Management, Consultancy Services for Hydro Power Development.
7.	Directorship in other Companies as on March 31, 2018	<ul style="list-style-type: none"> <li>• EDCL-Arunachal Hydro Project Pvt. Ltd.</li> <li>• Startrack Vinimay Pvt. Ltd.</li> <li>• Sarvottam Caps Pvt. Ltd.</li> <li>• Panel Consultancy Pvt. Ltd.</li> <li>• Chekoplast (India) Pvt. Ltd.</li> <li>• Fairland Projects Pvt. Ltd.</li> <li>• Bask Films Creation Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Kangra Hydro Power Ventures Pvt. Ltd.</li> </ul>
8.	Chairman(C)/Member(M) of Committees of the Board of Directors on March 31, 2018	<ul style="list-style-type: none"> <li>• Energy Development Co. Ltd. : – Audit Committee (M) – Nomination and Remuneration Committee (M)</li> </ul>	None
9.	Number of shares held in the Company as on March 31, 2018	1,04,58,453	Nil
10.	Number of convertible warrants held in the Company as on March 31, 2018	Nil	Nil
11.	Terms and condition of appointment	As per Nomination and Remuneration Policy of the Company subject to provisions contained in the Companies Act, 2013.	As approved by the Board in its meeting held on May 30, 2018.
12.	Remuneration to be paid	Sitting Fees and such re-imbursements as approved by the Board.	As approved by the Board in its meeting held on May 30, 2018 subject to approval of members.
13.	Remuneration last drawn	Nil	₹ 80,00,000/- per annum.
14.	No. of the Board meeting attended during the year	4	N.A.

Dated : August 11, 2018

Place : New Delhi

By Order of the Board  
For Energy Development Company Limited

Corporate Office :  
“EDCL House”  
1A, Elgin Road,  
Kolkata – 700 020

Sd/-  
Vijayshree Binnani  
(Company Secretary)



## DIRECTORS' REPORT

### TO THE MEMBERS,

Your Directors take pleasure in presenting the 23rd Annual Report on the business and operations of your Company along with the standalone and consolidated financial statements for the financial year ended on March 31, 2018.

### FINANCIAL RESULTS

Your Company's financial performance for the year under review is summarized below: (Amount in ₹)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	40,22,90,114	1,03,21,26,169	59,90,58,394	1,15,40,19,917
Other income	5,41,72,768	4,01,79,870	2,08,11,822	87,96,970
<b>Total income</b>	<b>45,64,62,882</b>	<b>1,07,23,06,039</b>	<b>61,98,70,216</b>	<b>1,16,28,16,887</b>
Total expenses other than depreciation and finance cost	38,14,01,063	1,01,93,08,725	39,89,28,329	1,06,66,53,313
<b>Profit / (Loss) before depreciation, finance cost and exceptional items</b>	<b>7,50,61,820</b>	<b>5,29,97,314</b>	<b>22,09,41,887</b>	<b>9,61,63,514</b>
Depreciation and amortization expenses	2,89,74,981	3,03,38,929	11,69,51,508	10,89,51,560
<b>Profit / (Loss) before finance cost, exceptional items and tax</b>	<b>4,60,86,838</b>	<b>2,26,58,385</b>	<b>10,39,90,379</b>	<b>(1,27,87,986)</b>
Finance cost	3,08,89,399	2,46,76,041	20,54,13,100	30,47,56,423
<b>Profit / (Loss) before exceptional items and tax</b>	<b>1,51,97,439</b>	<b>(20,17,656)</b>	<b>(10,14,22,721)</b>	<b>(31,75,44,409)</b>
Exceptional items	-	5,39,00,000	-	36,82,93,492
<b>Profit / (Loss) before tax for the year</b>	<b>1,51,97,439</b>	<b>5,18,82,344</b>	<b>(10,14,22,721)</b>	<b>5,07,49,083</b>
Tax expenses	13,21,174	1,77,50,323	2,96,41,608	1,09,96,420
<b>Profit / (Loss) after tax for the year</b>	<b>1,38,76,265</b>	<b>3,41,32,021</b>	<b>(13,10,64,329)</b>	<b>3,97,52,663</b>
Share of minority interest in the losses of subsidiary companies	-	-	1,46,85,801	67,15,372
Other comprehensive income net of tax	4,85,293	1,50,608	8,25,333	10,50,910
<b>Total comprehensive income</b>	<b>1,43,61,558</b>	<b>3,42,82,629</b>	<b>(11,55,53,195)</b>	<b>4,75,18,945</b>
<b>Earnings per equity share of ₹ 10 each (Basic &amp; Diluted)</b>	<b>0.29</b>	<b>0.72</b>	<b>(2.45)</b>	<b>0.98</b>

### SHARE CAPITAL

The paid-up equity share capital as at March 31, 2018 stood at ₹ 47.50 Crore. During the financial year under review, there has been no change in the capital structure of the Company.

### RESERVES

The Company did not transfer any amount to reserves during the year.

### DIVIDEND

Your Directors recommend payment of dividend @ 5% on the paid-up share capital of the Company, i.e. ₹ 0.50/- per equity share of ₹ 10/- each.

### STATE OF COMPANY'S AFFAIRS

The Company is primarily engaged in power generation, infrastructure development such as construction of bridges, hydro projects including operation and maintenance thereof, supply of materials etc. Financial position of



the Company is given in the previous paragraphs. A detailed information on the operation of different business segments of the Company, future expectations and business environment is provided in the Management Discussion and Analysis Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "LODR Regulations"), is annexed herewith and marked as **Annexure "A"**.

## CORPORATE GOVERNANCE

As required under the LODR Regulations, the Report on Corporate Governance, Declaration of Whole-time Director on Code of Conduct, CEO / CFO Certification and Auditors Certificate on compliance of conditions of Corporate Governance are annexed herewith and marked as **Annexure "B", "C", "D" and "E"** respectively.

## SUBSIDIARIES AND ASSOCIATES

As on March 31, 2018, the Company has 5 subsidiaries and 1 associate. There has been no material change in the nature of business of the subsidiaries.

The Company has also formulated a Policy for Determining 'Material' Subsidiaries in line with the requirement of LODR Regulations. The said Policy may be accessed at <http://www.edclgroup.com/wp-content/uploads/2017/08/Policy-for-Determining-Material-Subsidiary.pdf>.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's subsidiaries and associate in Form AOC-1 is annexed herewith and marked as **Annexure "F"**.

Brief details of the subsidiaries are given below :

### i) **Ayyappa Hydro Power Limited (Wholly-owned & material non-listed subsidiary)**

The Company is operating the 15 MW Karikkayam Hydro Electric Project, in the State of Kerala. During the year under review, total income of the Company stood at ₹ 15,56,74,213/- as compared to ₹ 9,08,99,391/- in previous year.

### ii) **EDCL Power Projects Limited (Wholly-owned & material non-listed subsidiary)**

The Company is operating the 7 MW Ullunkal Hydro Electric Project, in the State of Kerala. During the year under review, total income of the Company stood at ₹ 4,23,15,354/- as compared to ₹ 3,32,46,373/- in previous year.

Entire generation from the units of above mentioned subsidiaries is being sold to the Kerala State Electricity Board (KSEB) under Long term Power Purchase Agreements (PPA).

Mr. Vijoy Kumar (DIN: 02970626), an Independent Director of the Company is on the Board of Directors of above mentioned subsidiaries.

### iii) **EDCL – Arunachal Hydro Project Private Limited (Wholly-owned subsidiary)**

The Company is yet to take up any project.

### iv) **Eastern Ramganga Valley Hydel Projects Company Private Limited**

The Company is executing 6.5 MW Burthing Small Hydro Electric Project and 5.0 MW Phuliabagar Small Hydro Electric Project, in the State of Uttarakhand. DPR for both projects have been approved. 2nd stage forest clearances have been received for 5.0 MW Phuliabagar Small Hydel Electric Project.

### v) **Sarju Valley Hydel Projects Company Private Limited**

The Company is executing 5.5 MW Balighat Small Hydro Electric Project in the State of Uttarakhand. DPR for the project has been approved.



The Company has an associate namely, Arunachal Hydro Power Limited which is developing and executing various hydro power projects through its several subsidiaries in the State of Arunachal Pradesh.

## CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements (CFS) of the Company, prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as required under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable, form part of Annual Report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

## BOARD OF DIRECTORS AND BOARD MEETINGS

### Board and Committees

As on March 31, 2018, the Board of Directors comprise of 6 Non-Executive Directors having experience in varied fields and a Whole-time Executive Director. Out of 6 Non-Executive Directors, 4 are Independent Directors. Detailed information on Directors is provided in the Report on Corporate Governance. At present, there are following 3 Committees:

- i) Audit Committee
- ii) Nomination and Remuneration Committee
- iii) Stakeholders Relationship Committee

The provisions under Section 135 of the Companies Act, 2013 read with the Rules made thereunder are not applicable as the Company is not meeting any criteria specified therein. The Company has not spent any amount under Corporate Social Responsibility during the financial year 2017-18. Accordingly, Annual Report on Corporate Social Responsibility activities is not required to be attached.

The Board has accepted all the recommendations of the Audit Committee. The details of composition, terms of reference, meetings etc. of the Committees are given in the Report on Corporate Governance.

### Number of Board meetings held

The Board met 5 times during the financial year under review. Detailed information on Board meetings are provided in the Report on Corporate Governance.

### Directors

None of the Independent Directors are due for re-appointment. Mr. Sanjay Kumar Gupta (DIN: 01538117) resigned from the Board of Directors of the Company with effect from March 15, 2018. Further, Mr. Sanjiv Saraf (DIN: 00506650) resigned from the Board of Directors of the Company with effect from May 30, 2018. The Board places on record its sincere appreciation for the services rendered by them during their tenure as Directors of the Company.

With the consent of Mr. Vinod Kumar Sharma and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee, the Board has appointed Mr. Vinod Kumar Sharma (DIN: 02879206), for a period of 3 years from May 30, 2018 to March 31, 2021 subject to approval of members at the ensuing Annual General Meeting.

Mr. Amar Singh (DIN: 00165567), Director, retire by rotation and being eligible offers himself for re-appointment.

The brief resume and other details relating to Mr. Amar Singh and Mr. Vinod Kumar Sharma are provided in the Notice of Annual General Meeting.

Your Board has also received Form 'DIR-8' pursuant to Section 164(2) of the Companies Act, 2013 read with the Companies (Appointment & Disqualification of Directors) Rules, 2014 from the aforementioned Directors confirming that they have not incurred any disqualification under Section 164(2) of the Companies Act, 2013. Your Board recommends their appointment / re-appointment.



## **Nomination and Remuneration Policy**

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, governance, education and public service. The Company follows the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Personnel of the Company as approved by the Board of Directors. The said Policy may be accessed at <http://www.edclgroup.com/wp-content/uploads/2017/08/Nomination-Remuneration-Policy.pdf>. The Nomination and Remuneration Policy is also annexed herewith and marked as **Annexure "G"**.

## **Declaration by Independent Directors**

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence, as prescribed under the Companies Act, 2013 and the LODR Regulations. The Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 and the LODR Regulations.

## **Familiarisation Programme for Independent Directors**

The details of Familiarisation Programme for Independent Directors has been given in the Report on Corporate Governance.

## **Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and as prescribed by the LODR Regulations as amended from time to time, the Board of Directors carried out an annual evaluation of its own performance, Committees and individual Directors of the Company. The Directors expressed their satisfaction with the evaluation process.

The Board evaluated its performance after considering the inputs received from all Directors based on the criteria such as composition and structure of the Board with diverse background & experience, flexible & effective board procedures, quality of timely information and functioning of the Board etc.

The Board evaluated performance of its Committees after considering the inputs received from all Committee members based on the criteria involving composition of the Committee with members having diverse experience, skill and effective functioning of the Committee etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual Directors on the basis of the criteria such as professional qualifications, prior experience, especially experience relevant to the Company, commitment, contribution, integrity, independence and guidance / support to management etc. Similarly, Board evaluated the performance of the Chairman based on the criteria of effective leadership, constructive relationships and communications within the Board, addressing of the issues and concerns raised by the members of the Board etc.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 with regard to the Directors' Responsibility Statement, your Board confirms that:

- a) in the preparation of the annual accounts for the financial year ended on March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit / loss of the Company for that period;



- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively;
- f) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.

#### **KEY MANAGERIAL PERSONNEL**

The following persons are Key Managerial Personnel of the Company:

**Whole-time Director :** Mr. Sanjiv Saraf- designated as Executive Director. (Till May 30, 2018). Mr. Vinod Kumar Sharma has been appointed Whole-time Director and designated as Executive Director of the Company w.e.f. May 30, 2018.

**Chief Financial Officer :** Mr. Amit Damani (Till March 15, 2018). Mr. Sunil Dutt Sharma has been appointed as Chief Financial Officer of the Company w.e.f. May 30, 2018.

**Company Secretary :** Ms. Vijayshree Binnani.

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROL**

The Company has adequate internal financial control system commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

#### **RISK MANAGEMENT**

The Company has formulated and implemented a Risk Management Policy (Risk Management Procedure) in consultation with Senior Management to identify various kinds of risk in business and its process to minimize the same. For details, please refer to Management Discussion and Analysis Report.

At present the Company has not identified any element of risk which may threaten the existence of the Company.

#### **WHISTLE BLOWER POLICY / VIGIL MECHANISM**

The Company has a Whistle Blower Mechanism and a Policy namely, Whistle Blower Policy that lays down the process for raising concern about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. The said Policy may be accessed at <http://www.edclgroup.com/wp-content/uploads/2017/08/Whistle-Blower-Policy.pdf>.

Your Company hereby affirms that no Director / employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

#### **LOAN, GUARANTEES AND INVESTMENTS**

Particulars of loans, investments and guarantees have been disclosed in the financial statements, which forms an integral part of this Report.

#### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

There were no material contacts or arrangements with related parties as referred in Section 188 of the Companies Act, 2013 read with the Rules made thereunder. Accordingly, AOC-2 is not required to be attached. All other related party transactions entered into during the financial year were on arm's length basis and were in the ordinary course of business and were placed before the Audit Committee and Board for their approval, as required. Prior omnibus approval of the Audit Committee was obtained for the transactions which are of repetitive nature. The details of transactions with related parties as per Ind AS-24 are disclosed in the notes to accounts. The Company has developed a Policy on Related Party Transaction for the purpose of identification and monitoring of such transactions.



## AUDITORS AND AUDITORS' REPORT

### (i) Statutory Auditors

In terms of the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended, M/s. ALPS & Co., Chartered Accountants, (Firm Registration No. 313132E) was appointed as the Auditors of the Company for a consecutive period of 5 years from conclusion of the 22nd Annual General Meeting held in the year 2017 until conclusion of the 27th Annual General Meeting of the Company.

The members may note that consequent to the changes made in the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 by the Ministry of Corporate Affairs (MCA) vide notification dated May 07, 2018, the proviso to Section 139(1) of the Companies Act, 2013 read with explanation to sub-rule 7 of Rule 3 of the Companies (Audit and Auditors) Rules, 2014, the requirement of ratification of appointment of Auditors by the members at every Annual General Meeting has been done away with. Therefore, the Company is not seeking any ratification of appointment of M/s. ALPS & Co., Chartered Accountants as the Auditors of the Company, by the members at the ensuing Annual General Meeting.

The Company has received a certificate from M/s. ALPS & Co., Chartered Accountants confirming their eligibility to continue as Auditors of the Company in terms of the provisions of Section 141 of the Companies Act, 2013 and the Rules framed thereunder. They have also confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI as required under the provisions of Regulation 33 of the LODR Regulations.

The Auditors' Report to the members on the financial statements of the Company for the financial year ended on March 31, 2018 does not contain any qualification, reservation, adverse remark or disclaimer.

### (ii) Cost Auditors

The Company is required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 and accordingly, such accounts and records are made and maintained.

The Board of Directors has re-appointed M/s. N. Radhakrishnan & Co., Cost Accountants, of 11A, Dover Lane, Flat B1/34, Kolkata – 700 029 as the Cost Auditors of the Company to conduct Cost Audit for the financial year 2018-19. In terms of Section 148 of the Companies Act, 2013, your Board recommends ratification of remuneration of the Cost Auditors at the ensuing Annual General Meeting. The Cost Audit Report for the financial year 2016-17 has been filed with the Ministry of Corporate Affairs within due time.

### (iii) Secretarial Auditor

The Board of Directors appointed M/s. P. Sarawagi & Associates, Company Secretaries of 27, Brabourne Road, Kolkata – 700 001, to conduct the secretarial audit of the Company for the financial year 2017-18.

The Secretarial Audit Report for the financial year ended on March 31, 2018 is annexed herewith and marked as Annexure "H" and forms an integral part of this Annual Report.

The Board hereby clarifies that the delay in form filing was unintentional. The Board assures the form due for filing will be filed as soon as possible with requisite fees, as applicable. One of the Independent Directors could not participate in two Audit Committee meetings due to sudden indisposition. Certain investments held by the Company are lying in the names of transferor for want of performance of obligation undertaken by the Company, as per agreements executed by the Company.

The Secretarial Audit Report does not contain any other qualification, reservation or adverse remark or disclaimer.

## ANTI-SEXUAL HARASSMENT POLICY

The Company has adopted Anti-Sexual Harassment Policy, covering all the aspects as contained under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has complied with the provisions relating to constitution of Internal Complaints Committee under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Up till date, the Company has not received any complaint under the Policy.





## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith and marked as **Annexure "I"**.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars in respect of conservation of energy and technology absorption, foreign exchange earnings and outgo are annexed herewith and marked as **Annexure "J"**.

## EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with the Rules made thereunder, the extract of the Annual Return in Form MGT – 9 is annexed herewith and marked as **Annexure "K"** and it may be accessed at <http://www.edclgroup.com>.

## GENERAL

The Directors state that no disclosure or reporting is required in respect of the following items during the year under review as:

1. No deposits covered under Chapter V of the Companies Act, 2013 were accepted;
2. No equity shares with differential rights as to dividend, voting or otherwise; or shares (including sweat equity shares) to employees of the Company under any scheme were issued;
3. No remuneration or commission to the Whole-time Director of the Company were paid from any of its subsidiaries;
4. No significant and material orders were passed by any regulatory authority or court or tribunal impacting the going concern status and Company's operation in future;
5. No material changes and commitments occurred affecting the financial position of the Company between the end of financial year and date of report;
6. No fraud has been reported by the Statutory Auditors, Cost Auditors and Secretarial Auditors to the Audit Committee or the Board.

## ACKNOWLEDGEMENTS

Your Directors express their sincere appreciation to the Central and State Governments, Banks, customers, vendors and the Company's valued investors for their continued co-operation and support.

Your Directors also wish to acknowledge the support and valuable contributions made by the employees, at all levels.

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

Sd/-  
**Amar Singh**  
(Chairman)  
(DIN: 00165567)

Place : New Delhi  
Dated : August 11, 2018

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE FINANCIAL YEAR 2017-18

### INDUSTRY STRUCTURE AND DEVELOPMENT

India has a total power generation capacity of 344002.39 MW as on March 31, 2018. Major source of such generation are from coal, lignite, natural gas, oil, hydro and nuclear power and renewable sources like wind, solar, agriculture and domestic waste. Out of the total generation of power of 344002.39 MW, thermal contributed about 64.80%, hydro contributed about 13.17%, small hydro power, biomass, urban and industrial waste, wind energy and solar power contributed about 20.06% and nuclear contributed 1.97%.

According to the data published in March 2018, by Quartz India, India lies in the third position in terms of power generation in the world. As on March 31, 2018, out of the total Generation State Governments account for about 30.00%, Central Sector account for 25.00% and Private Sectors account for 45.00%.

The last published report on India's per capita electricity consumption is 1122 kWh for the financial year 2016-17.

During the year 2017-18, total ex-bus energy supply increased by 6.0% over the previous year and the peak met increased by 2.0%. The energy requirement registered a growth of 6.2% during the year against the projected growth of 7.6% and peak demand registered a growth of 3.0% against the projected growth of 6.0%.

The studies carried out for anticipated power supply position for the year 2018-19 indicate that there would be energy surplus of 4.6% and peak surplus of 2.5% in the country during 2018-19.

Surplus energy is anticipated of the order of 1.9%, 14.8% and 22.9% in the Western, Northern and North-Eastern regions respectively. Eastern and Southern regions are likely to face energy shortage of 4.2% and 0.7% respectively which can be met from surplus power in other regions. The peaking surplus of the order of 9.3%, 4.9%, and 12.6% is anticipated in Western, Eastern and North-Eastern regions respectively. Northern and Southern regions are likely to face peak deficit of the order of 1.2% and 4.5% respectively.

India has the fifth largest power generation portfolio worldwide with a power generation capacity of 334404.76 GW. In terms of wind power installed capacity, India is globally placed at 4th position after China, USA and Germany. A capacity addition of 0.59 GW has been added under Grid Connected Renewable Power since last three and half years from Small Hydro Power plants. Hydro projects have been exempted from competitive bidding till 2022 and setting up of small hydro projects has been declared as 'Priority' under National Mission. Economic growth, increasing prosperity, a growing rate of urbanisation and rising per capita energy consumption has led to increased demand for energy in the country.

Further, the renewable sector is being encouraged under the Make in India initiative by the Government of India. The Government of India has a target of adding 175 GW of renewable power in the country by 2022, which will offer massive investment opportunities across the value chain.

*Sources: <http://pib.nic.in> & <http://www.cea.nic.in> & <http://www.makeinindia.com/sector/renewable-energy>*

Ministry of New and Renewable Energy has been vested with the responsibility of developing Small Hydro Power (SHP) projects up to 25 MW station capacities. The estimated potential for power generation in the country from such plants is over 20,000 MW. Most of the potential is in Himalayan States as river-based projects and in other States on irrigation canals. The SHP program is now essentially private investment driven. Projects are normally economically viable and private sector is showing lot of interest in investing in SHP projects. The viability of these projects improves with increase in the project capacity. The Ministry's aim is that at least 50% of the potential in the country is harnessed in the next 10 years.



## Hydro Power Project

Hydro power projects are generally categorized in two segments i.e. small and large hydro. In India, hydro projects up to 25 MW station capacities have been categorized as Small Hydro Power (SHP) projects. While Ministry of Power, Government of India is responsible for large hydro projects, the mandate for the subject small hydro power (up to 25 MW) is given to Ministry of New and Renewable Energy. Small hydro power projects are further classified as:

Class	Station Capacity in kW
Micro Hydro	Up to 100
Mini Hydro	101 to 2000
Small Hydro	2001 to 25000

### Small Hydro Power Programme

Small Hydro Power (SHP) Programme is one of the thrust areas of power generation from renewable energy in the Ministry of New and Renewable Energy. It has been recognized that Small Hydro Power Projects can play a critical role in improving the overall energy scenario of the country and in particular for remote and inaccessible areas. The Ministry is encouraging development of small hydro projects both in the public as well as private sector. Equal attention is being paid to grid-interactive and decentralized projects.

#### Aim :

The Ministry's aim is that the SHP installed capacity should be about 7000 MW by the end of 12th Plan. The focus of the SHP programme is to lower the cost of equipment, increase its reliability and set up projects in areas which give the maximum advantage in terms of capacity utilization.

#### Potential :

An estimated potential of about 20,000 MW of Small Hydro Power Projects exists in India. Ministry of New and Renewable Energy has created a database of potential sites of small hydro and 6,474 potential sites with an aggregate capacity of 19,749.44 MW for projects up to 25 MW capacity have been identified.

The Administrative Approval for the year 2014-15 and remaining period of 12th Plan for Small Hydro Power Programme (upto 25 MW Capacity) has already been circulated vide letter no. 14(03)2014-SHP dated July 02, 2014. Under the SHP Programme Central Financial Assistance is provided for:

- A) Resource Assessment and Support for Identification of new sites
- B) Setting up new SHP Projects in the private / co-operative / joint sector etc.
- C) Setting up new SHP Projects in the Government sector
- D) Renovation and Modernisation of existing SHP projects in the Government sector
- E) Development / upgradation of Water Mills (mechanical / electrical output) and setting up Micro Hydel Projects (upto 100 KW capacity)
- F) Research & Development and Human Resource Development.

#### Manufacturing Status :

There are about 28 Equipment Manufacturers (As on February 28, 2018) of Small Hydro Power Turbine who fabricate almost the entire range and type of SHP equipment listed in MNRE. Manufacturers' capacity is estimated at about 400 MW per year.

Source: <http://www.mnre.gov.in/schemes/grid-connected/small-hydro/>



## SWOT ANALYSIS

### i) Strengths :

Energy Development Company Limited (EDCL) has wide experience and expertise in execution of Small Hydro Power projects which gives it a significant competitive advantage. The team of EDCL is supported by eminent in-house team & consultants. The Company is in the process of developing several hydro power projects (via subsidiaries & associate) with financial investment partners in remote areas of the country which comes with a range of challenges – logistical, climatic and technological. However, with its strong and efficient team of competent and experienced professionals, most of the hurdles have been mitigated.

Long term power purchase agreement with the State Utilities confirms the sale of entire generation of electricity, as a result all projects under operation so far have PPA with State Utilities and payments are received on time.

### ii) Opportunities :

The deteriorating hydro-thermal mix, increase in peak hour shortages and frequency variations have forced policymakers to turn their attention towards water resources and on developing hydropower. Besides India's huge untapped hydro potential, especially in the hilly region, with the focus shifting to hydropower, EDCL now has opportunities to add to its capacity in the coming years.

### iii) Threats / Weaknesses :

The management of EDCL perceives the following as threats / risks / weaknesses in the construction of hydropower projects:

**Time in clearances** - Stringent norms and cumbersome procedures for getting environmental and forest clearances leads to delays in obtaining clearances for projects, which may affect the capacity addition programs, even though State Governments are trying their best to adopt to single window clearance system, which will mitigate this threat to large extent.

**Land acquisition** - The process of land acquisition for infrastructure work as well as for a project's components including submergence is quite cumbersome and time consuming. Single window clearance system will also mitigate this threat to great extent.

**Geological uncertainties** - In spite of extensive surveys and investigations, various components of hydro projects such as head race tunnels, power houses, pressure shafts and surge shafts face geological surprises especially in the hilly region.

**Inter-state and International disputes** - As water is a state subject in India, there are often inter-state river disputes due to which many hydro projects may get delayed or abandoned. Certain projects are situated in border areas which are affected by India's international relations.

**Natural calamities** - As most of the hydro projects are located in hilly terrains, natural calamities like land slides, hill slope collapses and road blocks, floods and cloud bursts cause severe setbacks in construction schedules.

**Unexpected complexities** - Unexpected complexities and delays in clearances / execution due to reasons beyond one's control may cause variation / escalations in estimates.

### iv) Risks and Concerns

Hydropower schemes are capital intensive, have long gestation period and require huge investments which are major constraints in the exploitation of the vast hydropower potential available in the country. Since water is a state subject, state governments are demanding a higher share of free power and other incentives, which lead to higher tariffs.



## SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company has three divisions namely generation division, contract division and trading division.

### Generation Division :

The generation division did not perform on expected lines due to poor rainfall, although it was a shade better this year than the previous year. During the financial year 2017-18, total revenue generated from this division is ₹ 13,06,10,050/- (Previous year ₹ 10,82,25,611/-).

### The Company owns and operates the following power plants :

#### I. Hydro Electric Power Projects

- i) 9 MW Harangi Hydro Electric Power Plant in the State of Karnataka and
- ii) 6 MW Harangi Hydro Electric Power Plant in the State of Karnataka

#### II. Wind Mills

- i) 1.5 MW Wind mill at Hasssan District in the State of Karnataka and
- ii) 1.5 MW Wind Mill at Chitradurga in the State of Karnataka

Saleable electricity generated from :

Hydro Power Plants : 32.27 million units (previous year 25.66 million units)

Wind Mills : 5.54 million units (previous year 6.40 million units)

The Company also owns and operate 7 MW Ullunkal Hydro Electric Project, through its subsidiary, EDCL Power Projects Limited and produced 17.34 million units during the year 2017-18 as compared to 12.95 million units in 2016-17.

The Company also owns and operates 15 MW Karikkayam Hydro Electric Project, through its subsidiary, Ayyappa Hydro Power Limited and produced 37.13 million units during the year 2017-18 as compared to 21.71 million units in 2016-17.

### Contract Division

Infrastructure development in India is growing everyday, in order to tap this lucrative opportunity, your Company has participated and executing various infrastructure related projects like bridges, hydro projects and consultancy service etc. During the year under review, the division has earned gross revenue of ₹ 3,02,31,858/- (previous year ₹ 9,34,59,883/-).

### Trading Division

During the year under review the trading division has earned gross revenue of ₹ 24,14,48,206/- (previous year ₹ 83,04,40,675/-).

## OUTLOOK

Your Company's main focus area is the generation of electricity, infrastructure development by way of contract or own projects & trading of renewable energy products. For further details, kindly refer to the Directors' Report.

## INTERNAL CONTROL SYSTEM

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





The Internal Auditor carries out internal audit of the Company. The Internal Audit process is designed to review the adequacy of internal control and checks in the system and covers all significant areas of the Company's operations.

The Company has an Audit Committee, the details of which have been provided in the Report on Corporate Governance. The Audit Committee reviews Audit Reports submitted by the Internal Auditors.

### **FINANCIAL PERFORMANCE**

The net profit before tax stood at ₹ 1,51,97,439/- (Previous year ₹ 5,18,82,344/- including exceptional gain of ₹ 5,39,00,000/-). The detailed performance is given in the Financial Results of the Directors' Report.

### **HUMAN RESOURCES**

The Company regards its human resources as the most valuable assets. The Company strives to provide a fair, empowered and merit-based workplace with scope for continuous learning, enriching competencies among employees and accelerating corporate growth. During the year under review, the Company did not witness any kind of adverse development on the HR front. The Company has always aimed towards attracting and retaining talent in its various functions.

The Company also took initiatives to manage the growing human resource base including a regularized recruitment process, a fair and unbiased performance appraisal system along with an in-built feedback system.

### **CAUTIONARY STATEMENT**

Statements in this Management Discussion and Analysis Report may be "forward looking statements" within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important facts that could make a difference to the Company's operations include economic conditions affecting global and domestic demand-supply, raw-material costs and availability, changes in Government regulations, tax regimes, economic developments in India and other factors such as litigation and industrial relations, the Company assumes no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent developments, information or events. The Company also does not assume any responsibility on the accuracy of statements relating to industry structure and development, as it has been sourced from various available websites.



## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON MARCH 31, 2018

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company strongly believes that sound principles of Corporate Governance are important key to success, as they enhance the ability to secure the confidence of its stakeholders. The Company's Corporate Governance initiative is based on three core principles :

- (i) Management must have the executive freedom to drive the enterprise forward without undue restraints.
- (ii) This freedom of management should be exercised within a frame work of effective accountability.
- (iii) Open, transparent and merit based management.

### BOARD OF DIRECTORS

#### (i) Composition

As on March 31, 2018, the Board comprise of 7 Directors including a Whole-time Executive Director and 6 Non-Executive Directors. The Company has 4 Independent Directors and a woman Director. The Chairman of the Board is a Non-Executive Promoter Director. Therefore, composition of the Board is in conformity with the SEBI (Listing Obligations and Disclosure Requirements), 2015 [Hereinafter referred to as "LODR Regulations"] and the Companies Act, 2013.

#### (ii) Board Meetings

The Board of Directors met 5 times during the year. The maximum time gap between any 2 consecutive meetings did not exceed 120 days. All relevant information as required under Schedule II of the LODR Regulations was placed before the Board from time to time.

The dates of the Board meetings along with attendance of the Directors are as under :

Sl. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	May 29, 2017	8	6
2.	August 11, 2017	8	4
3.	September 14, 2017	8	6
4.	December 13, 2017	8	5
5.	February 09, 2018	8	4

#### (iii) Directors' attendance record and directorship held

None of the members of the Board is holding membership of more than 10 Committees and chairmanship of more than 5 Committees across all the Companies in which he / she is a Director. All the Directors have made necessary disclosures regarding their occupation in the Committee positions of other Companies.

The details of the Directors' attendance record at the Board meetings and at the last Annual General Meeting, their directorship and Committee membership in other Companies held during the year under review are given below :

Sl. No.	Name of Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM held on September 30, 2017	No. of Directorship in the Board of other public/private Companies as on March 31, 2018*	No. of Membership held in Committees of Board of other Companies as on March 31, 2018**	No. of Chairmanship held in Committees of Board of other Companies as on March 31, 2018	Number of Equity Shares held
1.	Mr. Amar Singh	Promoter & Non-Executive Director, Chairman	4	No	7	Nil	Nil	1,04,58,453
2.	Mr. Sanjiv Saraf <sup>(1)</sup>	Executive Director	4	No	8	1	Nil	10,000
3.	Mrs. Pankaja Kumari Singh	Promoter & Non-Executive Director	2	No	5	Nil	Nil	29,36,414
4.	Mr. Gouri Prasad Goenka	Non-Executive Independent Director	2	No	4	Nil	Nil	Nil
5.	Mr. Vijoy Kumar	Non-Executive Independent Director	5	Yes	5	3	Nil	Nil
6.	Mr. Anil Gupta	Non-Executive Independent Director	2	No	18	Nil	1	Nil
7.	Mr. Bijay Kumar Garodia	Non-Executive Independent Director	2	No	3	Nil	Nil	Nil
8.	Mr. Sanjay Kumar Gupta <sup>(2)</sup>	Non-Executive Director	4	Yes	2	Nil	Nil	6,000

<sup>(1)</sup> Resigned w.e.f. May 30, 2018.

<sup>(2)</sup> Resigned w.e.f. March 15, 2018.

\*Excluding foreign Companies and Companies under Section 8 of the Companies Act, 2013.

\*\*As per Regulation 26 of the LODR Regulations, only two Committees viz. Audit Committee and Stakeholders Relationship Committee have been considered for this purpose.

**(iv) Relationship between Directors inter-se**

Mrs. Pankaja Kumari Singh is the spouse of Mr. Amar Singh. None of the other Directors are related to any other Director on the Board.



**(v) Meeting of Independent Directors**

Meeting of Independent Directors was held on February 02, 2018 to review the performance of Non-Independent Directors and the Board as a whole, review the performance of Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the management and the Board. 3 out of 4 Independent Directors were present in the meeting. The Independent Directors found the performance of Non-Independent Directors (including Chairman) and the Board as well as flow of information between the management and the Board to be satisfactory.

**(vi) Familiarisation Programme for Independent Directors**

The Executive Director/senior managerial personnel make presentations to the inductee about the Company's strategy, projects, operations, organizational structure, finance, human resources, technology, facility and risk management etc. Further, at the time of appointment, the Company issues a formal letter of appointment outlining his role, functions, duties, responsibilities as a Director.

The details of familiarization programme for the Independent Directors can be accessed at [http://www.edclgroup.com/wp-content/uploads/2018/04/Training-familiarisation\\_programme-2017-18.pdf](http://www.edclgroup.com/wp-content/uploads/2018/04/Training-familiarisation_programme-2017-18.pdf)

**(vii) Performance Evaluation**

The details of the performance evaluation has been given in the Directors' Report.

**COMMITTEES OF THE BOARD**

**(i) Audit Committee**

Mr. Vijoy Kumar is the Chairman of the Committee. He is knowledgeable in areas of finance. All the members of the Committee are eminent professionals and draw upon their experience and expertise across a wide spectrum of functional areas such as finance, information systems, engineering and corporate strategy. Mr. Sanjay Kumar Gupta, Member resigned from the Committee w.e.f. February 09, 2018 and Mr. Amar Singh was inducted as a member of the Committee w.e.f. February 09, 2018.

The Committee met 4 times during the year, viz. May 29, 2017; September 14, 2017; December 13, 2017 and February 09, 2018.

The composition and categories of the members of the Audit Committee and their attendance at the Committee meetings held during the financial year 2017-18 is given below :

Name of Member	Category	No. of Committee Meeting attended
Mr. Vijoy Kumar	Chairman; Non-Executive, Independent Director	4
Mr. Anil Gupta	Member; Non-Executive, Independent Director	2
Mr. Amar Singh <sup>(1)</sup>	Member; Promoter & Non -Executive Director	N. A.
Mr. Sanjay Kumar Gupta <sup>(2)</sup>	Non-Executive Director	4

<sup>(1)</sup> Inducted w.e.f. February 09, 2018.

<sup>(2)</sup> Resigned w.e.f. February 09, 2018.

Ms. Vijayshree Binnani, Company Secretary is the Secretary of the Committee. Mr. Vijoy Kumar, Chairman of the Audit Committee was present at the last Annual General Meeting.

**The terms of reference of the Audit Committee includes the following:**

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;



- b) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- c) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- d) Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv) Significant adjustments made in the financial statements arising out of audit findings;
  - v) Compliance with listing and other legal requirements relating to financial statements;
  - vi) Disclosure of any related party transactions;
  - vii) modified opinion(s) in the draft audit report.
- e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- g) Review and monitor the Auditor's independence and performance and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the Company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the Company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with Internal Auditors of any significant findings and follow up there on;
- o) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- p) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) To review the functioning of the Whistle Blower Mechanism, if any;





- s) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
- t) Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

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

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- d) Internal Audit Reports relating to internal control weaknesses;
- e) The appointment, removal and terms of remuneration of the Internal Auditors.

The Audit Committee is also apprised on information with regard to related party transactions (whether or not in normal course of business and transactions not at arm's length, if any).

**(ii) Stakeholders Relationship Committee**

Mr. Sanjay Kumar Gupta, Member resigned from the Committee w.e.f. February 09, 2018.

The Stakeholders Relationship Committee met 4 times during the year, viz. May 27, 2017; August 11, 2017; November 09, 2017 and February 09, 2018.

The composition and categories of the members of the Stakeholders Relationship Committee and their attendance record at the Committee meetings held during the financial year 2017-18 is given below :

Name of Member	Category	No. of Committee Meeting attended
Mrs. Pankaja Kumari Singh	Chairperson, Promoter & Non-Executive Director	4
Mr. Sanjiv Saraf	Member, Promoter & Executive Director	3
Mr. Vijoy Kumar	Member, Non-Executive, Independent Director	4
Mr. Sanjay Kumar Gupta <sup>(1)</sup>	Member, Non – Executive Director	1

<sup>(1)</sup> Resigned w.e.f. February 09, 2018.

**The role / terms of reference of Stakeholders Relationship Committee includes :**

- a) Transfer / Transmission of shares;
- b) Issue of duplicate share certificates;
- c) Dematerialisation / Rematerialisation of shares;
- d) Redressal of investors' grievance;
- e) Non receipt of Annual Report and dividend;
- f) All other incidental matters with respect to shareholders and other investors.



Ms. Vijayshree Binnani, Company Secretary is the Compliance Officer for complying with the requirements of the LODR Regulations.

**Status of Complaint Received and Pending :**

Number of Complaints From April 01, 2017 to March 31, 2018			
Pending as on April 01, 2017	Received	Redressed	Pending as on March 31, 2018
Nil	01	01	Nil

**(iii) Nomination and Remuneration Committee**

Mr. Sanjay Kumar Gupta, Member resigned from the Committee w.e.f. February 09, 2018 and Mr. Amar Singh was inducted as a member of the Committee w.e.f. February 09, 2018.

The Nomination and Remuneration Committee met 4 times during the year, viz. May 29, 2017; September 14, 2017; December 13, 2017 and February 09, 2018.

The composition and categories of the members of the Nomination and Remuneration Committee and their attendance record at the Committee meetings held during the financial year 2017-18 is given below :

Name of Member	Category	No. of Committee Meeting attended
Mr. Vijoy Kumar	Chairman, Non-Executive, Independent Director	4
Mr. Anil Gupta	Member; Non-Executive, Independent Director	2
Mr. Amar Singh <sup>(1)</sup>	Member; Promoter & Non-Executive Director	N. A.
Mr. Sanjay Kumar Gupta <sup>(2)</sup>	Member; Non-Executive Director	4

<sup>(1)</sup> Inducted w.e.f. February 09, 2018.

<sup>(2)</sup> Resigned w.e.f. February 09, 2018.

**The role / terms of the Nomination and Remuneration Committee, inter-alia, includes the following :**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- Reviewing and determining all elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the Directors;
- Reviewing and determining details of fixed component and performance linked incentives along with the performance criteria;
- Reviewing and determining service contracts, notice period, severance fees;
- Reviewing and determining stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable;
- Evaluating performance of each Director and performance of the Board as a whole.



## Nomination and Remuneration Policy

The details of Nomination and Remuneration Policy has been given in the Directors' Report. Please refer to **Annexure "G"**.

### Criteria for Performance Evaluation of Independent Directors

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Non-Executive Directors, which is given in the Nomination and Remuneration Policy. Please refer to **Annexure "G"**.

### Remuneration to Executive Director

Mr. Sanjiv Saraf was re - appointed as the Executive Director of the Company w.e.f. April 01, 2017 by the Board in its meeting held on February 12, 2017 and approved by the members at the 22nd Annual General Meeting held on September 30, 2017. However, Mr. Saraf resigned from the Board w.e.f. May 30, 2018 and Mr. Vinod Kumar Sharma was appointed as Executive Director on the same day.

**Details of remuneration paid to Mr. Sanjiv Saraf, Executive Director for the year ended on March 31, 2018 is given herein below :**

Name of Director	Salary (₹)	Incentive (₹)	Allowances & Perquisites* (₹)	Total (₹)
Mr. Sanjiv Saraf	30,00,000	6,00,000	11,54,600	47,54,600

\* Rent free accomodation

The terms of employment of the Executive Director stipulates a termination notice of 180 days in writing from either side or salary in lieu thereof.

### Remuneration to Non-Executive Directors

**Details of remuneration paid to Non-Executive Directors for the year ended on March 31, 2018 is given herein below :**

Name of Director	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Amar Singh	80,000	NIL	80,000
Mrs. Pankaja Kumari Singh	80,000	NIL	80,000
Mr. Gouri Prasad Goenka	40,000	NIL	40,000
Mr. Vijoy Kumar	2,20,000	NIL	2,20,000
Mr. Anil Gupta	80,000	NIL	80,000
Mr. Bijay Kumar Garodia	40,000	NIL	40,000
Mr. Sanjay Kumar Gupta	1,70,000	NIL	1,70,000

Non – Executive Directors receive only sitting fees as remuneration. No severance fees was paid to any Non-Executive Director of the Company.

### Directors with pecuniary relationship or business transaction with the Company

The Executive Director receives salary, allowances, perquisites and commission while all Non-Executive Directors receive sitting fees. During the year under review, the Company did not advance any loan to any of its Directors. No Stock Options have been issued to any of the Directors of the Company. The Company does not have any Convertible Warrant as on March 31, 2018.

Criteria for making payment to Non-Executive Directors can be accessed at <http://www.edclgroup.com/wp-content/uploads/2017/09/Criteria-for-Payment-to-NEDs.pdf>.



## CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

The provisions under Section 135 of the Companies Act, 2013 read with the Rules made thereunder are not applicable as the Company is not meeting any criteria specified therein. Accordingly, the Report on CSR Activities is not required to be attached.

### GENERAL BODY MEETINGS

- (i) **Location, date and time of the Annual General Meetings held during the preceding 3 years and the special resolutions passed there at are as follows :**

Year	Location	Date and time	Special Resolutions Passed
2015	Harangi Hydro Electric Project Vill. – Hulugunda, Taluka – Somawarpet Dist. – Kodagu, Karnataka – 571 233	September 29, 2015 at 01:30 P.M	To appoint Mr. Bijay Kumar Garodia as an Independent Director.
2016	Harangi Hydro Electric Project Vill. – Hulugunda, Taluka – Somawarpet Dist. – Kodagu, Karnataka – 571 233	September 29, 2016 at 01:30 P.M	None
2017	Harangi Hydro Electric Project, Vill. – Hulugunda, Taluka – Somawarpet Dist. – Kodagu, Karnataka – 571 233.	September 30, 2017 at 10:00 A.M	i) To re-appoint Mr. Sanjiv Saraf as an Executive Director; ii) To keep registers, returns etc. at a place other than Registered Office

- (ii) **Location, date and time of the Extra-ordinary General Meeting :** No Extra-ordinary General Meeting was convened during the year 2017-18.

- (iii) **Postal Ballot :** No Resolution was passed through Postal Ballot during the year 2017-18. At present, no Special Resolution is proposed to be passed through Postal Ballot.

### DISCLOSURES

- (i) **Related Party Transactions**

There were no material contacts or arrangements with related parties as referred in Section 188 of the Companies Act, 2013 read with the Rules made thereunder. Accordingly, AOC-2 is not required to be attached. All other related party transactions entered into during the financial year were on arm's length basis and in the ordinary course of business and were placed before the Audit Committee and Board for their approval, as required. The details of transactions with related parties as per Ind AS-24 are disclosed in the notes to accounts.

The Board has approved a Policy for Related Party Transaction which may be accessed at <http://www.edclgroup.com/wp-content/uploads/2017/08/Policy-on-Related-Party-Transaction.pdf>.

- (ii) **Accounting Treatment**

The Company has followed the Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with the Rules made thereunder in preparation of its financial statements.

The Company has adopted Ind As w.e.f April 01, 2017 with the transition date of April 01, 2016 and the financial statement for the financial year ended on March 31, 2018 have been prepared in accordance with Ind AS. The financial statements for the financial year ended on March 31, 2017 have been restated to comply with Ind AS to make them comparable.

- (iii) **CEO / CFO Certification**

The Executive Director and the Chief Financial Officer of the Company, in terms of Regulation 17(8) read with Part B of Schedule II of the LODR Regulations, have certified to the Board, inter alia, dealing with the review of financial statements and cash flow statement for the year ended on March 31, 2018, transactions entered into by the Company during the year, their responsibility for establishing and maintaining internal control system for



financial reporting and evaluation of the effectiveness of the internal control system and making of necessary disclosure to the Auditors and the Audit Committee have been duly complied with.

(iv) **Vigil Mechanism / Whistle Blower Policy**

The Company has a Vigil Mechanism / Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy may be accessed at <http://www.edclgroup.com/wp-content/uploads/2017/08/Whistle-Blower-Policy.pdf>. Kindly refer to the Directors' Report.

Your Company hereby affirms that no Director / employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

(v) **Prevention of Insider Trading**

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 the Company has adopted the 'Code of Conduct for Regulating & Reporting Trading by Insiders and For Fair Disclosure, 2015' with a view to regulate trading in securities by the designated employees and connected persons.

(vi) **Risk Management**

The Company has formulated a Risk Management Policy in consultation with senior management to identify various kinds of risk in business of the Company and its process to minimize the same. For further details, kindly refer to Directors' Report.

(vii) **Code of Conduct**

The Board of Directors has laid down Code of Conduct for the Non – Executive Directors, Executive Director and the designated employees in the senior management. The said code may be accessed at <http://www.edclgroup.com/wp-content/uploads/2018/04/Code-of-Conduct-18.09.2014.pdf>. All the Board members and the senior management executives have affirmed compliance with the Code of Conduct. A declaration to this effect is signed by Mr. Vinod Kumar Sharma, Executive Director. Please refer to **Annexure "C"**.

(viii) **Reconciliation of Share Capital Audit**

A qualified Practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

(ix) **Compliance of various Laws**

There were no instances of non-compliance by Company of any requirements of the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets during the last three years.

(x) **Compliance Report**

The Board periodically reviews compliance report of all laws applicable to the Company, prepared by the Company Secretary as well as steps taken by the Company to rectify instances of non-compliances, if any.

(xi) There has been no instance of non-compliance of any requirement of Corporate Governance Report.

(xii) The Company has complied with applicable requirements specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of LODR Regulations.

## **SUBSIDIARIES AND ASSOCIATES**

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments





of the unlisted subsidiary companies are periodically placed before the Board.

As on March 31, 2018, the Company has 2 material non-listed subsidiary companies namely, Ayyappa Hydro Power Limited and EDCL Power Projects Limited. The Company's Policy for determining 'Material' Subsidiaries may be accessed at <http://www.edclgroup.com/wp-content/uploads/2017/08/Policy-for-Determining-Material-Subsidiary.pdf>.

As on March 31, 2018, the Company have 1 associate Company namely, Arunachal Hydro Power Limited. For further details, please refer to the Directors' Report.

#### **DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF NON-MANDATORY REQUIREMENTS**

The Company has complied with the mandatory requirements of LODR Regulations relating to Corporate Governance. The Company has adopted the non-mandatory requirements of the LODR Regulations relating to the Board, Modified opinion(s) on Audit Report and Separate Post of Chairman and Executive Director.

#### **MEANS OF COMMUNICATION**

(i) **Quarterly Results**

The quarterly results are published in the newspapers and are not sent to the individual shareholders.

(ii) **Newspapers**

As per Regulation 47 of the LODR Regulations, the financial results, for the quarter ended on June 30, 2017; September 30, 2017; December 31, 2017 and March 31, 2018 were published in the following newspapers:

The Business Standards – Bengaluru and Mumbai Edition

Hosadigantha - (Kannada daily) – Bengaluru Edition

(iii) **Website where results are displayed**

Full version of Annual Report including the Balance Sheet, Statement of Profit and Loss, Directors' Report, Report on Corporate Governance and Auditors' Report; Cash Flow Statement; Quarterly Financial Results and Quarterly Shareholding Pattern are available on the website of the Company – [www.edclgroup.com](http://www.edclgroup.com).

The official press releases are communicated to the National Stock Exchange of India Limited and BSE Limited where shares of the Company are listed.

Company Secretary is the Compliance Officer and is responsible for updating above mentioned information and the website of the Company with the requisite authorities.

There are no presentations made by the Company to any institutional investor or to any analyst.

#### **GENERAL SHAREHOLDER INFORMATION**

(i) **Annual General Meeting for financial year 2017-18**

The Annual General Meeting of the Company will be held on Saturday, the September 29, 2018 at Harangi Hydroelectric Project, Village – Hulugunda, Taluka – Somawarpet, Dist. – Kodagu, Karnataka – 571 233 at 10:00 A. M.

(ii) **Financial Year**

From April 01 to March 31.

(iii) **Book Closure Period**

September 24, 2018 to September 29, 2018 (both days inclusive).



(iv) **Dividend Payment Date**

Within 30 days from the date of declaration.

(v) **Listing on Stock Exchanges**

The shares of the Company are listed in the below mentioned Stock Exchanges and the annual listing fee for the financial year 2018-19 has been paid.

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	National Stock Exchange of India Limited “Exchange Plaza”, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051.
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(vi) **The Stock Code**

BSE Limited	532219
National Stock Exchange of India Limited	ENERGYDEV

(vii) **Depositories**

Custodial fees for the financial year 2018-19 has been paid to the below mentioned depositories on the basis of number of beneficial accounts maintained by them as on March 31, 2018.

National Securities Depository Limited Trade World, 4 <sup>th</sup> floor, Kamala Mills Compound, Lower Parel, Senapati Bapat Marg, Mumbai – 400 013.	Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers, 28 <sup>th</sup> floor, Dalal Street, Mumbai – 400 023.
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(viii) **Demat ISIN Number**

Demat ISIN Number of the Company is INE306C01019

(ix) **Market Price Data**

The details of monthly high – low stock price of the Company trading at BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) for the period from April 01, 2017 to March 31, 2018 are shown below :

MONTH	SHARE PRICE AT BSE		SHARE PRICE AT NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2017	35.35	30.20	35.40	29.25
May, 2017	32.85	23.05	32.50	23.50
June, 2017	34.30	25.20	34.20	25.20
July, 2017	29.25	23.50	29.40	23.65
August, 2017	27.35	15.10	27.50	15.10
September, 2017	24.90	14.35	24.85	14.50
October, 2017	24.25	18.15	24.50	18.00
November, 2017	22.40	19.20	22.15	19.00
December, 2017	40.40	19.90	40.40	20.00
January, 2018	37.25	25.90	37.25	25.85
February, 2018	29.75	21.45	29.30	21.35
March, 2018	24.30	17.10	24.10	17.10

As on the March 28, 2018 the closing price of the shares of the Company were ₹ 17.95 in NSE and ₹ 17.85 in BSE.



(x) Performance in comparison to BSE Sensex and NSE Nifty

DATE	BSE Limited		National Stock Exchange of India Ltd.	
	Company's Market Price (Close) Per share (₹)	Sensex points (Close)	Company's Market Price (Close) Per share (₹)	Nifty points (Close)
April 28, 2017	31.80	29918.40	31.70	9304.05
May 31, 2017	25.15	31145.80	25.05	9621.25
June 30, 2017	28.25	30921.61	28.10	9520.90
July 31, 2017	23.70	32514.94	23.85	10077.10
August 31, 2017	15.85	31730.49	15.60	9917.90
September 29, 2017	21.00	31283.72	20.85	9788.60
October 31, 2017	21.65	33213.13	21.45	10335.30
November 30, 2017	21.35	33149.35	21.40	10226.55
December 29, 2017	34.65	34056.83	34.30	10530.70
January 31, 2018	26.15	35965.02	26.05	11027.70
February 28, 2018	23.80	34184.04	23.70	10492.85
March 28, 2018	17.85	32968.68	17.95	10113.70

(xi) Registrar and Share Transfer Agent

M/s. Niche Technologies Pvt. Ltd.  
D-511, Bagree Market, 5th floor,  
71, B. R. B. Basu Road,  
Kolkata – 700 001  
E-mail ID : nichetechpl@nichtechpl.com  
Phone : (033) 2235 7270 / 7271

(xii) Exclusive e-mail ID for redressal of investor complaints

For redressal of investor complaints, kindly e-mail at [secretarial@edclgroup.com](mailto:secretarial@edclgroup.com).

(xiii) Share Transfer System

Share transfer in physical form should be lodged at the office of the Registrar and Transfer Agent at the address given above or at the corporate office of the Company. Share transfers are normally effected within a maximum period of 30 days from the date of lodgment, if technically found to be in order and complete in all respect.

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

(xiv) Distribution of Shareholding as on March 31, 2018

Shareholding Range No. of Shares	Number of Shareholders	% of Shareholders	Number of Shares	% of Shareholding
Upto – 500	9,549	76.8841	14,82,867	3.1218
501 – 1,000	1,225	9.8631	10,29,638	2.1677
1,001 – 5,000	1,241	9.9919	29,21,003	6.1495
5,001 – 10,000	210	1.6908	16,32,006	3.4358
10,001 – 50,000	141	1.1353	30,36,121	6.3918
50,001 – 1,00,000	23	0.1852	15,13,799	3.1869
1,00,001 and above	31	0.2496	3,58,84,566	75.5465
<b>TOTAL</b>	<b>12,420</b>	<b>100.0000</b>	<b>4,75,00,000</b>	<b>100.0000</b>



(xv) **Categories of Shareholders as on March 31, 2018**

Category	Number of Shares held	% of shareholding
Promoters	2,70,29,867	56.905
Financial Institutions, Insurance Co., Banks etc.	10,000	0.021
Foreign Institutional Investors	1,000	0.002
Corporate Bodies	58,77,451	12.374
Indian Public	1,23,12,235	25.921
NRI / OCBs	1,62,369	0.341
Others (Clearing Members)	20,92,945	4.406
I.E.P.F.	14,133	0.030
<b>TOTAL</b>	<b>4,75,00,000</b>	<b>100.000</b>

(xvi) **Dematerialization of Shares and Liquidity**

The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the Depositories. As on March 31, 2018, a total of 4,74,68,294 equity shares which form 99.93% of the paid-up share capital of the Company have been dematerialized (NSDL – 80.42% and CDSL – 19.58%).

(xvii) **Outstanding GDRs / ADRs / Warrants or any convertible instruments**

The Company has not issued GDRs or ADRs or Warrants or any convertible instruments.

(xviii) **Commodity Price Risk/ Foreign Exchange Risk and Hedging**

The nature of business of Company does not involve any risks / require hedging activities.

(xix) **Plant Locations**

- Harangi Hydroelectric Power Project : Village – Hulugunda, Taluka – Somawarpet, Dist. – Kodagu, Karnataka – 571 233.
- Wind Mill Project: Rangapur Kawal, Arsikere, District – Hassan, Karnataka – 573 103.
- Wind Mill Project: K-73, Elkurnahalli, Jogimatti Wind Zone, Chitradurga - District, Karnataka.

(xx) **Address for Correspondence**

**Ms. Vijayshree Binnani**  
Company Secretary  
**Energy Development Company Limited**  
'EDCL HOUSE', 1A, Elgin Road,  
Kolkata – 700 020.



ANNEXURE "C"

## DECLARATION TO COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

This is to confirm that the Company has adopted a Code of Conduct for its Directors and Senior Management and the same is available on our corporate website i.e. www.edclgroup.com.

I confirm that the Company has in respect of financial year ended on March 31, 2018, received from the Directors and Senior Management Personnel of the Company a declaration of the compliance with the Code of Conduct as applicable to them.

For Energy Development Company Limited

Sd/-

**Vinod Kumar Sharma**  
(Executive Director)  
(DIN : 02879206)

Place : New Delhi

Dated : June 07, 2018

ANNEXURE "D"

## CEO / CFO CERTIFICATION

To  
The Members of  
Energy Development Company Limited,

**Re : Financial Statements for the year ended on March 31, 2018**

Certification by Executive Director and CFO

We, Vinod Kumar Sharma, Executive Director and Sunil Dutt Sharma, CFO of Energy Development Company Limited, to the best of our knowledge and belief, certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2018 and that to the best of our knowledge and belief:
  1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee :
  1. significant changes in the internal control over financial reporting during the year under review;
  2. significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or other employees who have a significant role in the Company's internal control systems over financial reporting.

For Energy Development Company Limited

Sd/-

**Sunil Dutt Sharma**  
(CFO)

Sd/-

**Vinod Kumar Sharma**  
(Executive Director)  
(DIN : 02879206)

Place : New Delhi

Dated : June 07, 2018





## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

### TO THE MEMBERS OF ENERGY DEVELOPMENT COMPANY LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 3rd October, 2017.
2. We have examined the compliance of conditions of Corporate Governance by Energy Development Company Limited ('the Company'), for the year ended on 31st March, 2018, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

#### Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

#### Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), to the extent relevant, the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations during the year ended 31st March, 2018.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

#### Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **ALPS & Co.**  
Chartered Accountants  
Firm's ICAI Registration No.:313132E

Sd/-  
**A. K. Khetawat**  
Partner  
Membership No.: 052751

Place : New Delhi  
Dated : 11th August, 2018

## Form AOC-1

[ Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014 ]

## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

Part "A" : Subsidiaries												
Sl. No.	Name of the Subsidiary Company	Equity Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Share Holding
1	Ayyappa Hydro Power Ltd.	30,00,00,000	(60,84,43,615)	1,44,70,75,095	1,75,55,18,710	-	15,44,61,632	(12,83,56,528)	1,85,23,348	(14,68,79,876)	-	100
2	EDCL Power Projects Ltd.	3,75,00,000	(4,98,50,957)	27,20,91,081	28,44,42,038	-	4,23,06,648	(2,00,44,932)	(12,45,210)	(1,87,99,722)	-	100
3	EDCL - Arunachal Hydro Project Pvt. Ltd.	1,01,00,000	(81,19,155)	45,87,014	26,06,168	-	-	(13,51,448)	(2,47,053)	(11,04,395)	-	100
4	Eastern Ramganga Valley Hydel Projects Company Pvt. Ltd.	1,00,000	(5,80,10,753)	18,64,91,452	24,44,02,205	-	-	(1,89,16,690)	(1,93,272)	(1,87,23,418)	-	51
5	Sarju Valley Hydel Projects Company Pvt. Ltd.	1,00,000	(3,47,31,865)	11,12,63,913	14,58,95,778	-	-	(1,13,26,594)	(79,990)	(1,12,46,604)	-	51

## Notes :

- Names of subsidiaries which are yet to commence operations: Companies referred to in no. 3 to 5 in the above table.
- Names of subsidiaries which have been liquidated or sold during the year: None.
- Reporting currency is Indian Rupee and exchange rate as on March 31, 2018 is not applicable.
- Reporting period for all subsidiaries is from April 01, 2017 to March 31, 2018.

## Part "B" : Associates and Joint Ventures

## Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and joint ventures (Amount in ₹)

Sl. No.	Name of the Associates	Equity Shares of Associate held by the Company on the year end		Description of how there is significant influence	Reason why the associate is not consolidated	Net worth attributable to shareholding as per latest audited balance sheet	Profit / Loss for the year		
		No.	Amount of Investment in Associate				Extent of Holding in %	Considered in consolidation	Not Considered in consolidation
1	Arunachal Hydro Power Ltd.	35,52,000	3,55,20,000	24	By virtue of shareholding	N.A.	Nil	Nil	-

Notes : Latest Audited Balance Sheet date is March 31, 2018.

For and on behalf of the Board of Directors

Sd/- Amar Singh, Non Executive Director (DIN : 00165567)

Sd/- Pankaja Kumari Singh, Director (DIN : 00199454)

Sd/- Vinod Kumar Sharma, Executive Director (DIN : 02879206)

Sd/- Vijoy Kumar, Director (DIN : 02970626)

Sd/- Sunil Dutt Sharma, Chief Financial Officer

Sd/- Vijayshree Binnani, Company Secretary





## NOMINATION AND REMUNERATION POLICY

### 1. PREAMBLE

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that shareholders remain informed and confident in the management of the Company. To harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Hereinafter referred to as the "LODR") as amended from time to time, this Policy on nomination and remuneration of Directors (including Non-Executive Directors) Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

This Policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors (including Non-Executive Directors), Key Managerial Personnel and Senior Management Personnel.

### 2. OBJECTIVE

- To make recommendations to the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel;
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- To evaluate the performance of the members of the Board and provide necessary reports to the Board for further evaluation and to ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- To make recommendations to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management and to ensure that such remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### 3. DEFINITIONS

**"Board"** means Board of Directors of the Company.

**"Company"** means "Energy Development Company Limited".

**"Employees Stock Option"** means the option given to the Directors, officers or employees of a Company or of its holding Company or subsidiary Company or Companies, if any, which gives such Directors, officers or employees, the benefit or right to purchase or to subscribe for the shares of the Company at a future date at a pre-determined price.

**"Independent Director"** means a Director referred to in Section 149 (6) of the Companies Act, 2013 and in Regulation 16 of the LODR.

**"Key Managerial Personnel"** (KMP) means:

- Chief Executive Officer or the Managing Director or the Manager,
- Company Secretary,
- Whole-time Director,
- Chief Financial Officer and
- Such other officer as may be prescribed.



“**Nomination and Remuneration Committee**” means a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the LODR.

“**Policy or This Policy**” means “**Nomination and Remuneration Policy**”.

“**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

“**Service Rules/HR Policy**” means “**Service Rules/HR Policy**” as framed by the management which are applicable to all employees, as may be amended or modified from time to time by the management.

“**Senior Management**” means personnel of the Company who are members of its core management team excluding Board of Directors and comprising of all members of management, one level below the Executive Director, including the functional heads, as may be decided by the Board from time to time.

Words and expression that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, the LODR and/or any other SEBI Regulation(s) as amended from time to time.

#### 4. APPOINTMENT AND REMOVAL

##### a) Appointment criteria and qualifications

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- A person should possess adequate qualification, expertise and experience for the position he is considered for appointment. He shall be a person of integrity, who possess relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices. The Committee has discretion to decide whether qualification, expertise, experience and attributes possessed by a person are sufficient / satisfactory for the concerned position.
- The Company shall not appoint or continueth the employment of any person as Managing Director/ Whole-time Director / Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

##### b) Term / Tenure

- **Managing Director / Executive Director / Whole-time Director / Manager :**

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- **Independent Director :**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board’s report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.



However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company.

**c) Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly). The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence etc.

Criteria for performance evaluation of Independent Directors is given in the Appendix I to this Policy.

**d) Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, Rules made thereunder or under any other applicable Act, Rules and Regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Managing Director / Executive Director / Whole-time Director, KMP or Senior Management subject to the provisions and compliance of the said Act, Rules and Regulations and Service Rules / HR Policy of the Company as prevalent at that time.

**e) Retirement**

The Managing Director / Executive Director / Whole-time Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Managing Director / Executive Director / Whole-time Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, subject to such approvals as may be required in this regard.

**5. PROVISIONS RELATING TO REMUNERATION**

**a) General**

- The remuneration / compensation / commission etc. to Managing Director / Executive Director / Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to Managing Director / Executive Director / Whole-time Director shall be as per the statutory provisions of the Companies Act, 2013, and the Rules made thereunder for the time being in force and in accordance with and subject to the relevant provisions of the Articles of Association of the Company.
- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the shareholders in the case of Managerial Person.
- Where any insurance is taken by the Company on behalf of its Managing Director / Executive Director / Whole-time Director, KMP and any other personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.





b) **Remuneration to Non-Executive / Independent Director**

- **Remuneration / Commission** : The Committee may recommend the payment of remuneration/ commission in accordance with the statutory provisions of the Companies Act, 2013 and the Rules made thereunder for the time being in force.
- **Sitting Fees** : The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013 per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- **Limit of Remuneration / Commission** : Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
- **Stock Options** : An Independent Director shall not be entitled to any stock option of the Company.

c) **Executive / Whole-time Directors**

i) **Appointment / Re-appointment, Remuneration and Terms and Conditions**

Appointment and re-appointment, if any, of Executive Directors / Whole time Directors including remuneration and other terms and conditions thereof shall be in accordance with the provisions of Section 196, 197 of the Companies Act, 2013 read with Schedule V appended thereto. The Committee will recommend the appointment or re-appointment, if any, of the Executive / Whole-time Directors to the Board and same will be approved by the shareholders at General Meeting by passing the necessary resolution in terms of provisions of the Companies Act, 2013.

The components of remuneration package may include the following :

- Basic Pay
- Allowances
- LTA
- Any other perks and benefits.

ii) **Minimum Remuneration**

If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive / Whole-time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

iii) **Overall Maximum Managerial Remuneration**

The total managerial remuneration payable by the Company to its Directors including Managing Director and Whole-time Director and its Managers in respect of any financial year shall not exceed 11% of the net profit of the Company for that financial year calculated in the manner as laid down in Section 198 of the Companies Act, 2013, except that the remuneration of the Directors shall not be deducted from the gross profit. In the event of payment of remuneration exceeding 11% of net profit necessary formalities to be complied with as per the said Act.

iv) **Provisions for excess remuneration**

If any Executive Director / Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums



to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**d) Key Managerial Personnel and Senior Management**

Remuneration of KMP and Senior Management Personnel is proposed by the Company's Nomination and Remuneration Committee and subsequently approved by the Board of Directors. The remuneration is evaluated annually against performance of the Company, individual performance / contribution and decided rationally. The remuneration of KMP and Senior Management Personnel may comprise of the following :

- A fixed base salary, set at a level aimed at attracting and retaining executives with professional and personal competences required to drive the Company's performance.
- Special pay
- Variable pay linked with performance in respect of certain positions
- Allowances (HRA, Conveyance etc.)
- LTA
- Perquisite and benefits
- Coverage on Mediclaim
- Retirement benefits including Superannuation

The KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**6. POLICY ON DIVERSITY OF BOARD**

The Board of Directors shall have the optimum combination of Executive and Non-Executive Directors including Independent Directors from the different fields like Planning, Strategy, Production, Management, Engineering, Quality Assurance, Finance & Accountancy, Legal, Sales and Marketing, Supply Chain, Research and Development, Human Resources etc. or as may be considered appropriate by the Committee from time to time. The Board shall have at least one member who has accounting or related financial management expertise and at least three members who are financially literate and at least one women Director as its member.

**7. ASSISTANCE FROM OUTSIDE AGENCY**

The Committee may take the assistance of external expert / agency as and when required to ensure that recommendations are based on rationale as also parameter to judge the performance level.

This Policy will be reviewed and amended by the Nomination and Remuneration Committee as and when required and appropriate recommendations will be made to the Board to update this Policy based on the changes that may be brought about due to any regulatory amendments or otherwise.

**8. APPLICABILITY TO SUBSIDIARIES**

This Policy may be adopted by the Company's subsidiaries subject to suitable modifications and approval of the Board of Directors of the respective subsidiary.

**9. DISCLOSURE OF INFORMATION**

Information as required in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 shall be disclosed in the Boards Report in the manner as provided therein.



## APPENDIX - I

### Criteria for Performance Evaluation of Independent Directors

The Nomination and Remuneration Committee laid down the criteria for performance evaluation of Independent Non-Executive Directors. They are enumerated as below:

1. Frequency of attendance and contribution to the Board and Committee meetings of Directors;
2. Appropriate mix of expertise, skills, behaviour, experience, leadership qualities and understanding of business, strategic direction to align Company's value and standards;
3. Adequate understanding and knowledge of finance, accounts, legal, investment, marketing, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance;
4. Ability to create a performance culture that add value creation and high quality of discussions;
5. Effectiveness to respond positively and constructively and to encourage more transparency;
6. Recognize the role which is expected to be played, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company and to achieve organizational success and harmonizing the Board;
7. Physical and mental fitness, broader thinking and vision on corporate social responsibility;
8. Adhere to quality of decision and discussion for understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.;
9. To monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders; and
10. Contribution towards overall enhancement of brand image of the Company.



**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2018**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
**Energy Development Company Limited**  
CIN : L85110KA1995PLC017003

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Energy Development Company Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, generally complied with the statutory provisions listed hereunder, and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018, according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECBs);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) Other laws specifically applicable to the Company : The Electricity Act, 2003 and the Rules and Regulation framed thereunder.

**We have also examined compliance with the applicable clauses of the following:**

- (i) Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The revised uniform Listing Agreement with the BSE Limited and the National Stock Exchange of India Limited.

During the year under review the Company has generally complied with the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except (a) *delay in filing of various e-Forms under the provisions of the Companies Act, 2013 and rules framed thereunder;* (b) *non-filing of e-Forms MGT-14 as required to be filed pursuant to Section 179(3) read with Section 117(3)(g) of the Act, in respect of certain resolutions passed by the Board of Directors;* (c) *two meetings of the Audit Committee held during the year, were attended by only one Independent Director;* and (d) *certain investments by the Company are lying in the names of transferor.*

It is observed that the provisions of the FEMA and rules and regulations made thereunder to the extent of ODI and ECBs; and provisions of Regulations and Guidelines mentioned in (c), (d), (e), (g) and (h) under item no. (v) of para 3 above, were not applicable to the Company during the year under review.

**We further report that**

- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- II. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance; and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- III. During the year under review, majority decision is carried through while the Minutes of the Meetings of the Board and Committees thereof, held during the audit period did not reveal any dissenting member's view. As confirmed by the Management, there were no dissenting views expressed by any of the Directors on any business transacted at the meetings of the Board and Committees thereof, held during the year under review.

We further report that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the following specific events having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. took place during the year under review :

- a) In terms of the Investment Agreements dated November 9, 2015 and subsequent Special Resolution pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, passed through Postal Ballot by the Company on August 17, 2016, the Company had, during the year under review,





transferred 76% of its holding in Cumulative Redeemable Preference Shares of the following subsidiaries of Arunachal Hydro Power Limited :

1. EDCL-Seppa Riang Power Private Limited
  2. EDCL-Seppa Beyong Hydro Electric Private Limited
  3. EDCL-Seppa Dunkho Hydro Electric Private Limited
  4. EDCL-Seppa Jung Power Private Limited
  5. EDCL-Seppa Kawa Power Private Limited
  6. EDCL-Seppa Lada Hydro Electric Private Limited
  7. EDCL-Seppa Marjingla Hydro Electric Private Limited
  8. EDCL-Seppa Nire Hydro Electric Private Limited
  9. EDCL-Seppa Pachuk Power Private Limited
- b) The rate of dividend on the Cumulative Redeemable Preference Shares held by the Company in various subsidiaries of Arunachal Hydro Power Limited, has been increased from 0.01% to 10% by the respective companies.

For **P. SARAWAGI & ASSOCIATES**  
*Company Secretaries*

Sd/-  
**( P. K. Sarawagi )**  
*Proprietor*

Membership No. : FCS-3381  
C. P. No. : 4882

Place : Kolkata  
Date : August 11, 2018

This Report is to be read with our letter of even date which is annexed to this Report as Annexure – 1 and forms integral part of this Report.



Annexure -1

To,  
The Members  
**Energy Development Company Limited**  
CIN : L85110KA1995PLC017003

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **P. SARAWAGI & ASSOCIATES**  
*Company Secretaries*

Sd/-  
**( P. K. Sarawagi )**  
*Proprietor*

Membership No. : FCS-3381  
C. P. No. : 4882

Place : Kolkata  
Date : August 11, 2018



### DETAILS PERTAINING TO REMUNERATION

DISCLOSURES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) AND 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 – AS AMENDED

#### Disclosures under Rule 5(1)

Sl. No.	Particulars	Details
1	The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	Apart from Mr. Sanjiv Saraf none of the Directors are being paid remuneration except fees for attending meetings. The ratio is 14.14%.
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary.	Whole-time Director : Nil Chief Financial Officer : 8.42% Company Secretary : 54.14% The comparison of remuneration has been made of the office of Chief Financial Officer and Company Secretary.
3	Percentage increase in the median remuneration of employees in the financial year.	23.87%.
4	Number of permanent employees on the rolls of Company.	40 employees as on March 31, 2018.
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average Salary increase of non-managerial employees is 10%. Average Salary increase of managerial employees is 10%. There are no exceptional circumstances for increase in the managerial remuneration.
6	Affirmation that the remuneration is as per the remuneration policy of the Company.	It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.



**Disclosures under Rule 5(2) : Top 10 employees in terms of remuneration drawn**

Sl. No.	Name of the Employee	Designation	Remuneration received* (₹)	Nature of Employment	Qualification and experience	Date of Commencement of employment	Age (Years)	Last employment held before joining the Company	% of Equity shares held	Relationship with other Directors or Manager
01.	Sanjiv Saraf	Executive Director	47,54,600	Executive Director	M. Tech from B.H.U. (Varanasi) / 41 yrs.	01.04.2017	63	Executive Director, EDCL Power Projects Ltd.	0.02% (10,000 Eq. Shares)	None
02.	Navnita Dev	President	42,00,000	Managerial	M.A. in Economics / 13 yrs.	01.10.2017	39	M Capital Ventures, Singapore	Nil	None
03.	Tarun Goel	Senior Secretary to the Chairman	22,95,637	Managerial	P. G. Diploma in Marketing & Sales Management / 27 yrs.	01.04.2012	53	Ayyappa Hydro Power Ltd.	Nil	None
04.	Nathmal Modi	General Manager (Commercial)	19,03,145	Managerial	B. Com.; L.L.B / 32 yrs.	01.01.2006	58	EDCL Power Projects Ltd.	Nil	None
05.	M. Shiva Subramaniam	General Manager (Operations)	16,05,320	Managerial	Diploma in Electrical & Electronics Engineering (D.E.E) / 20 yrs.	01.12.1998	45	PES Engineers Pvt. Ltd.	0.00% (1 Eq. Share)	None
06.	Geetanjali Dutta	Secretary to the Chairman	14,47,522	Managerial	P. G. Diploma in Public Relations / 12 yrs.	01.04.2012	42	Ayyappa Hydro Power Ltd.	Nil	None
07.	Satyabrata Seal	Senior Manager	12,97,990	Managerial	Diploma in Civil Engineering / 32 yrs.	28.03.2007	58	Self employed	Nil	None
08.	Vijay Bhat	Senior Manager	11,98,966	Administrative	B. Com / 32 yrs.	01/10.2002	55	Va Tech.	Nil	None
09.	Anshuman Ahuja	Office Manager	9,61,589	Managerial	M. A. in Industrial Relations / 12 yrs.	01.04.2012	37	Ayyappa Hydro Power Ltd.	Nil	None
10.	P. K. Tyagi	Dy. Manager	8,17,292	Technical	Diploma in Electrical Engineering / 23 yrs.	07.11.2002	45	Vedram & Sons	Nil	None

\* Includes perquisite value as per Income Tax Act, 1961.



## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC.

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are provided hereunder :

<b>(A)</b>	<b>Conservation of Energy –</b>		
(i)	The steps taken or impact on conservation of energy	Regular assessment is done on the requirement of energy conservation, measures and steps will be taken, if any, requirement emerges out of the assessment.	
(ii)	the steps taken by the Company for utilizing alternate sources of energy	N. A.	
(iii)	the capital investment on energy conservation equipments	Non during the financial year 2017-18	
<b>(B)</b>	<b>Technology Absorption –</b>		
(i)	the efforts made towards technology absorption	N. A.	
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution		
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -		
(a)	the details of technology imported		
(b)	the year of import		
(c)	whether the technology been fully absorbed		
(d)	if not fully absorbed, areas where absorption has not taken place and the reasons thereof		
(iv)	the expenditure incurred on Research and Development		
<b>(C)</b>	<b>Foreign Exchange Earnings and Outgo-</b>		
	The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows	Inflow : Nil Outflow : ₹ 1,26,966/-	





ANNEXURE "K"

Form No. MGT - 9

**EXTRACT OF ANNUAL RETURN**

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

<b>i)</b>	CIN	L85110KA1995PLC017003
<b>ii)</b>	Registration Date	January 19, 1995
<b>iii)</b>	Name of the Company	<b>Energy Development Company Limited</b>
<b>iv)</b>	Category / Sub-Category of the Company	Company Limited by shares
<b>v)</b>	Address of the Registered Office and contact details	Village – Hulugunda, Taluka – Somawarpet, District – Kodagu, Karnataka – 571 233 <b>Phone</b> : 08276-277040, <b>Fax</b> : 08276-277012 <b>Email ID</b> : secretarial@edclgroup.com
<b>vi)</b>	Whether listed Company	Yes
<b>vii)</b>	Name, address and contact details of Registrar and Transfer Agents (RTA), if Any	Niche Technologies Private Limited D-511, Bagree Market, 5th Floor, 71, Biplabi Rash Behari Basu Road, Kolkata – 700 001 <b>Phone</b> : (033) 2235 7270 / 7271 <b>Email ID</b> : nichetechpl@nichetechpl.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated :

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Trading in Solar Photovalatic Module	46593	60%
2	Generation of Electricity	3510	32%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of share held	Applicable Section
1	Ayyappa Hydro Power Limited "EDCL HOUSE" 1A, Elgin Road, Kolkata – 700 020.	U40100WB2005PLC116955	Subsidiary	100%	2(87)(ii)
2	EDCL Power Projects Limited "EDCL HOUSE" 1A, Elgin Road, Kolkata – 700 020.	U74140WB2002PLC095242	Subsidiary	100%	2(87)(ii)
3	EDCL – Arunachal Hydro Project Pvt. Ltd. "EDCL HOUSE" 1A, Elgin Road, Kolkata – 700 020.	U40104WB2010PTC152829	Subsidiary	100%	2(87)(ii)
4	Eastern Ramganga Valley Hydel Projects Company Pvt. Ltd. Essel House, B-10, Lawrance Road, New Delhi - 110 035.	U40104DL2007PTC160700	Subsidiary	51%	2(87)(ii)
5	Sarju Valley Hydel Projects Company Pvt. Ltd. Essel House, B-10, Lawrance Road, New Delhi - 110 035.	U40101DL2007PTC160703	Subsidiary	51%	2(87)(ii)
6	Arunachal Hydro Power Limited Model Village, Near Pacha River, District – East Kameng, Seppa – 790 102 (A. P.)	U40101AR2013PLC008384	Associate	24%	2(6)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	13404867	0	13404867	28.221	13404867	0	13404867	28.221	0.000
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	13625000	0	13625000	28.684	13625000	0	13625000	28.684	0.000
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1) :-</b>	27029867	0	27029867	56.905	27029867	0	27029867	56.905	0.000
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2) :</b>	0	0	0	0.000	0	0	0	0.000	0.000
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	27029867	0	27029867	56.905	27029867	0	27029867	56.905	0.000
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	317700	0	317700	0.669	10000	0	10000	0.021	-0.648
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	1000	0	1000	0.002	0	0	0	0	-0.002
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1) :</b>	318700	0	318700	0.000	11000	0	11000	0.023	-0.648



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	5315277	0	5315277	11.190	5877451	0	5877451	12.374	1.184
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3278450	41006	3319456	6.988	6494533	31706	6526239	13.739	6.751
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3544098	0	3544098	7.461	5785996	0	5785996	12.181	4.720
c) Others Specify									
(a) NRI	162652	0	162652	0.342	162369	0	162369	0.342	0.000
(b) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
(c) Foreign Nationals	-	-	-	-	-	-	-	-	-
(d) Clearing Members	7809950	0	7809950	16.442	2092945	0	2092945	4.406	-12.036
(e) Trusts	-	-	-	-	-	-	-	-	-
(f) Foreign Bodies-D.R	-	-	-	-	-	-	-	-	-
(g) IEPF Authority	-	-	-	-	14133	0	14133	0.030	0.030
<b>Sub-total (B)(2) :</b>	<b>20110427</b>	<b>41006</b>	<b>20151433</b>	<b>42.424</b>	<b>20427427</b>	<b>31706</b>	<b>20459133</b>	<b>43.072</b>	<b>0.648</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>20429127</b>	<b>41006</b>	<b>20470133</b>	<b>43.095</b>	<b>20438427</b>	<b>31706</b>	<b>20470133</b>	<b>43.095</b>	<b>0.000</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>47458994</b>	<b>41006</b>	<b>47500000</b>	<b>100.000</b>	<b>47468294</b>	<b>31706</b>	<b>47500000</b>	<b>100.000</b>	<b>0.000</b>

**Note :** Aggregate Promoters shareholding at the beginning and end of the year stood at 56.905%. However, due to inter se transfer of shares amongst promoters, 1,14,67,476 shares were lying with clearing member as on March 31, 2017 and the same were transferred in favour of Promoters by April 07, 2017. Therefore, the said 1,14,67,476 shares have been shown in Promoters category under the head 'individual / HUF' in the above table. Out of 1,14,67,476 shares 90,00,000 shares were transferred to Mr. Amar Singh and 24,67,476 shares were transferred to Mrs. Pankaja Kumari Singh. Please refer to this note wherever promoters holding is shown.



ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share Holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	
1.	Amar Singh	10458453	22.018	0.000	10458453	22.018	0.000	0.000
2.	Pankaja Kumari Singh	2936414	6.182	0.000	2936414	6.182	0.000	0.000
3.	Sanjiv Saraf	10000	0.021	0.000	10000	0.021	0.000	0.000
4.	Sarvottam Caps Private Limited	11800000	24.842	0.000	11800000	24.842	0.000	0.000
5.	Startrack Vinimay Private Limited	1825000	3.842	0.000	1825000	3.842	0.000	0.000
	<b>TOTAL</b>	<b>27029867</b>	<b>56.905</b>	<b>0.000</b>	<b>27029867</b>	<b>56.905</b>	<b>0.000</b>	<b>0.000</b>

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name of Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>Amar Singh</b>				
	a) At the beginning of the year	10458453	22.018	-	-
	b) Changes during the year	No change			
	c) At the end of the year	-	-	10458453	22.018
2.	<b>Pankaja Kumari Singh</b>				
	a) At the beginning of the year	2936414	6.182	-	-
	b) Changes during the year	No change			
	c) At the end of the year	-	-	2936414	6.182
3.	<b>Sanjiv Saraf</b>				
	a) At the beginning of the year	10000	0.021	-	-
	b) Changes during the year	No change			
	c) At the end of the year	-	-	10000	0.021
4.	<b>Sarvottam Caps Private Limited</b>				
	a) At the beginning of the year	11800000	24.842	-	-
	b) Changes during the year	No change			
	c) At the end of the year	-	-	11800000	24.842
5.	<b>Startrack Vinimay Private Limited</b>				
	a) At the beginning of the year	1825000	3.842	-	-
	b) Changes during the year	No change			
	c) At the end of the year	-	-	1825000	3.842
	<b>Total</b>	<b>27029867</b>	<b>56.905</b>	<b>27029867</b>	<b>56.905</b>



iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>Alankit Assignments Ltd Own A/C</b>				
	a) At the beginning of the year	400000	0.842	-	-
	b) Changes during the year				
	Transfer on :				
	05/05/2017	150000	0.316	250000	0.526
	26/05/2017	-250000	0.526	0	0.000
	27/10/2017	1001	0.002	1001	0.002
	16/02/2018	-1	0.000	1000	0.002
	c) At the end of the year	-	-	1000	0.002
2.	<b>Aleph Developers And Consultants LLP</b>				
	a) At the beginning of the year	0	0.000	-	-
	b) Changes during the year				
	Transfer on :				
	23.02.2018	424885	0.894	424885	0.894
	c) At the end of the year	-	-	424885	0.894
3.	<b>Edelweiss Broking Ltd.</b>				
	a) At the beginning of the year	985353	2.074	-	-
	b) Changes during the year				
	Transfer on :				
	07/04/2017	-921150	1.939	64203	0.135
	14/04/2017	10775	0.023	74978	0.158
	21/04/2017	16300	0.034	91278	0.192
	28/04/2017	4095	0.009	95373	0.201
	05/05/2017	895	0.002	96268	0.203
	12/05/2017	-29290	0.062	66978	0.141
	19/05/2017	526	0.001	67504	0.142
	26/05/2017	-3055	0.006	64449	0.136
	02/06/2017	17710	0.037	82159	0.173
	09/06/2017	2931	0.006	85090	0.179
	23/06/2017	-2222	0.005	82868	0.174
	30/06/2017	-30710	0.065	52158	0.110
	07/07/2017	230	0.000	52388	0.110
	21/07/2017	2512	0.005	54900	0.116
	28/07/2017	-46	0.000	54854	0.115
	04/08/2017	2228	0.005	57082	0.120
	11/08/2017	3189	0.007	60271	0.127



	18/08/2017	8416	0.018	68687	0.145
	25/08/2017	-27904	0.059	40783	0.086
	01/09/2017	6313	0.013	47096	0.099
	08/09/2017	-2625	0.006	44471	0.094
	15/09/2017	-303	0.001	44168	0.093
	22/09/2017	21276	0.045	65444	0.138
	30/09/2017	-6414	0.014	59030	0.124
	13/10/2017	-7041	0.015	51989	0.109
	20/10/2017	-190	0.000	51799	0.109
	27/10/2017	-731	0.002	51068	0.108
	03/11/2017	2289	0.005	53357	0.112
	10/11/2017	-50	0.000	53307	0.112
	17/11/2017	50	0.000	53357	0.112
	24/11/2017	-4659	0.010	48698	0.103
	01/12/2017	740	0.002	49438	0.104
	08/12/2017	389	0.001	49827	0.105
	15/12/2017	12292	0.026	62119	0.131
	22/12/2017	-7110	0.015	55009	0.116
	29/12/2017	1987	0.004	56996	0.120
	05/01/2018	19570	0.041	76566	0.161
	12/01/2018	3140	0.007	79706	0.168
	19/01/2018	179443	0.378	259149	0.546
	26/01/2018	3870	0.008	263019	0.554
	02/02/2018	229	0.000	263248	0.554
	09/02/2018	-1166	0.002	262082	0.552
	16/02/2018	19679	0.041	281761	0.593
	23/02/2018	-16798	0.035	264963	0.558
	02/03/2018	-26480	0.056	238483	0.502
	09/03/2018	-170088	0.358	68395	0.144
	16/03/2018	-1684	0.004	66711	0.140
	23/03/2018	75	0.000	66786	0.141
	31/03/2018	840	0.002	67626	0.142
	c) At the end of the year	-	-	67626	0.142
<b>4.</b>	<b>Globe Capital Market Ltd.</b>				
	a) At the beginning of the year	572435	1.205	-	-
	b) Changes during the year				
	Transfer on : 07/04/2017	319	0.001	572754	1.206
	14/04/2017	181	0.000	572935	1.206
	28/04/2017	-1375	0.003	571560	1.203
	05/05/2017	-100	0.000	571460	1.203
	12/05/2017	-198520	0.418	372940	0.785
	19/05/2017	80700	0.170	453640	0.955





	26/05/2017	200000	0.421	653640	1.376
	09/06/2017	53975	0.114	707615	1.490
	16/06/2017	-5259	0.011	702356	1.479
	23/06/2017	-19551	0.041	682805	1.437
	30/06/2017	21100	0.044	703905	1.482
	07/07/2017	84750	0.178	788655	1.660
	14/07/2017	184951	0.389	973606	2.050
	21/07/2017	-6708	0.014	966898	2.036
	28/07/2017	-13999	0.029	952899	2.006
	04/08/2017	-3041	0.006	949858	2.000
	11/08/2017	165854	0.349	1115712	2.349
	18/08/2017	-75	0.000	1115637	2.349
	25/08/2017	-103185	0.217	1012452	2.131
	01/09/2017	-164401	0.346	848051	1.785
	08/09/2017	-99200	0.209	748851	1.577
	15/09/2017	-85050	0.179	663801	1.397
	22/09/2017	-29510	0.062	634291	1.335
	30/09/2017	-32090	0.068	602201	1.268
	06/10/2017	-156883	0.330	445318	0.938
	13/10/2017	-169	0.000	445149	0.937
	20/10/2017	-354	0.001	444795	0.936
	27/10/2017	-850	0.002	443945	0.935
	03/11/2017	-300	0.001	443645	0.934
	10/11/2017	-172	0.000	443473	0.934
	17/11/2017	155	0.000	443628	0.934
	24/11/2017	-16931	0.036	426697	0.898
	01/12/2017	-29375	0.062	397322	0.836
	08/12/2017	-10409	0.022	386913	0.815
	15/12/2017	-22713	0.048	364200	0.767
	22/12/2017	-28229	0.059	335971	0.707
	29/12/2017	-130875	0.276	205096	0.432
	05/01/2018	-17755	0.037	187341	0.394
	12/01/2018	26580	0.056	213921	0.450
	19/01/2018	313784	0.661	527705	1.111
	26/01/2018	-29200	0.061	498505	1.049
	09/02/2018	-3000	0.006	495505	1.043
	16/02/2018	-950	0.002	494555	1.041
	23/02/2018	3500	0.007	498055	1.049
	02/03/2018	-700	0.001	497355	1.047
	09/03/2018	-100000	0.211	397355	0.837
	c) At the end of the year	-	-	397355	0.837



5.	<b>India Infoline Limited</b>				
	a) At the beginning of the year	2302095	4.847	-	-
	b) Changes during the year				
	Transfer on :				
	07/04/2017	-2006	0.004	2300089	4.842
	14/04/2017	-1450	0.003	2298639	4.839
	12/05/2017	2739	0.006	2301378	4.845
	19/05/2017	-2733	0.006	2298645	4.839
	26/05/2017	724994	1.526	3023639	6.366
	09/06/2017	2550	0.005	3026189	6.371
	16/06/2017	-2450	0.005	3023739	6.366
	23/06/2017	-98	0.000	3023641	6.366
	30/06/2017	-2	0.000	3023639	6.366
	25/08/2017	1693	0.004	3025332	6.369
	01/09/2017	-1643	0.003	3023689	6.366
	08/09/2017	861	0.002	3024550	6.367
	15/09/2017	7282	0.015	3031832	6.383
	22/09/2017	-8193	0.017	3023639	6.366
	30/09/2017	925	0.002	3024564	6.368
	06/10/2017	145	0.000	3024709	6.368
	13/10/2017	-770	0.002	3023939	6.366
	20/10/2017	-300	0.001	3023639	6.366
	27/10/2017	56	0.000	3023695	6.366
	03/11/2017	396	0.001	3024091	6.367
	10/11/2017	-175	0.000	3023916	6.366
	17/11/2017	-277	0.001	3023639	6.366
	01/12/2017	950	0.002	3024589	6.368
	08/12/2017	-950	0.002	3023639	6.366
	15/12/2017	3499	0.007	3027138	6.373
	22/12/2017	-2926	0.006	3024212	6.367
	29/12/2017	976	0.002	3025188	6.369
	05/01/2018	-987	0.002	3024201	6.367
	12/01/2018	-1111781	2.341	1912420	4.026
	19/01/2018	-1905745	4.012	6675	0.014
	26/01/2018	-6166	0.013	509	0.001
	02/02/2018	-499	0.001	10	0.000
	09/02/2018	490	0.001	500	0.001
	16/02/2018	740	0.002	1240	0.003
	23/02/2018	-240	0.001	1000	0.002
	02/03/2018	-1000	0.002	0	0.000
	31/03/2018	10000	0.021	10000	0.021
	c) At the end of the year	-	-	10000	0.021



6.	<b>Kanodia Stock Broking Pvt. Ltd.</b>				
	a) At the beginning of the year	2285	0.005	-	-
	b) Changes during the year				
	Transfer on :				
	07/04/2017	-2285	0.005	0	0.000
	19/01/2018	6000	0.013	6000	0.013
	09/02/2018	-5000	0.011	1000	0.002
	09/03/2018	572881	1.206	573881	1.208
	16/03/2018	27119	0.057	601000	1.265
	c) At the end of the year	-	-	601000	1.265
7.	<b>Kumar Share Brokers Limited</b>				
	a) At the beginning of the year	918649	1.934	-	-
	b) Changes during the year				
	Transfer on :				
	07/04/2017	-51400	0.108	867249	1.826
	28/04/2017	-80	0.000	867169	1.826
	05/05/2017	100	0.000	867269	1.826
	12/05/2017	-97910	0.206	769359	1.620
	19/05/2017	-93801	0.197	675558	1.422
	26/05/2017	-29900	0.063	645658	1.359
	02/06/2017	46000	0.097	691658	1.456
	09/06/2017	-47400	0.100	644258	1.356
	23/06/2017	-55	0.000	644203	1.356
	30/06/2017	4	0.000	644207	1.356
	07/07/2017	-134350	0.283	509857	1.073
	14/07/2017	-165376	0.348	344481	0.725
	21/07/2017	-32176	0.068	312305	0.657
	28/07/2017	100	0.000	312405	0.658
	04/08/2017	100	0.000	312505	0.658
	11/08/2017	-34900	0.073	277605	0.584
	25/08/2017	-219	0.000	277386	0.584
	01/09/2017	-25	0.000	277361	0.584
	08/09/2017	-100	0.000	277261	0.584
	30/09/2017	-40	0.000	277221	0.584
	06/10/2017	29	0.000	277250	0.584
	03/11/2017	-50	0.000	277200	0.584
	26/01/2018	-11700	0.025	265500	0.559
	02/02/2018	-7082	0.015	258418	0.544
	09/02/2018	-20495	0.043	237923	0.501
	16/02/2018	-6000	0.013	231923	0.488
	23/02/2018	-2935	0.006	228988	0.482
	02/03/2018	-21344	0.045	207644	0.437
	09/03/2018	-7500	0.016	200144	0.421
	23/03/2018	-7468	0.016	192676	0.406
	c) At the end of the year	-	-	192676	0.406



8.	<b>Laxmi Devi Jiwaraika</b>				
	a) At the beginning of the year	489954	1.031	-	-
	b) Changes during the year	No change			
	c) At the end of the year	-	-	489954	1.031
9.	<b>Manoj Kumar Paharia And Sons</b>				
	a) At the beginning of the year	0	0	-	-
	b) Changes during the year				
	Transfer on :				
	16/06/2017	8423	0.018	8423	0.018
	03/11/2017	50000	0.105	58423	0.123
	29/12/2017	-58423	0.123	0	0.000
	02/02/2018	283193	0.596	283193	0.596
	23/02/2018	-50000	0.105	233193	0.491
	31/03/2018	86015	0.181	319208	0.672
	c) At the end of the year	-	-	319208	0.672
10.	<b>Meena Ganeriwala</b>				
	a) At the beginning of the year	439885	0.926	-	-
	b) Changes during the year				
	Transfer on :				
	19/01/2018	-5000	0.011	434885	0.916
	26/01/2018	-10000	0.021	424885	0.894
	23/02/2018	-424885	0.894	0	0.000
	c) At the end of the year	-	-	0	0.000
11.	<b>Orchid Finlease Private Limited</b>				
	a) At the beginning of the year	34690	0.073	-	-
	b) Changes during the year				
	Transfer on :				
	28/04/2017	-11826	0.025	22864	0.048
	12/05/2017	-22864	0.048	0	0.000
	19/01/2018	135000	0.284	135000	0.284
	26/01/2018	193370	0.407	328370	0.691
	02/02/2018	141313	0.298	469683	0.989
	16/02/2018	69971	0.147	539654	1.136
	c) At the end of the year	-	-	539654	1.136
12.	<b>Paramjaya Infraprojects LLP</b>				
	a) At the beginning of the year	1854081	3.903	-	-
	b) Changes during the year				
	Transfer on :				
	02/06/2017	56949	0.120	1911030	4.023
	16/03/2018	-431	0.001	1910599	4.022
	c) At the end of the year	-	-	1910599	4.022





	22/09/2017	-400	0.001	148829	0.313
	27/10/2017	-200	0.000	148629	0.313
	03/11/2017	300	0.001	148929	0.314
	10/11/2017	1000	0.002	149929	0.316
	24/11/2017	500	0.001	150429	0.317
	01/12/2017	-1100	0.002	149329	0.314
	08/12/2017	-1000	0.002	148329	0.312
	15/12/2017	-2300	0.005	146029	0.307
	22/12/2017	-146029	0.307	0	0.000
	29/12/2017	200	0.000	200	0.000
	26/01/2018	1000	0.002	1200	0.003
	02/02/2018	195	0.000	1395	0.003
	09/02/2018	24000	0.051	25395	0.053
	09/03/2018	513	0.001	25908	0.055
	16/03/2018	400	0.001	26308	0.055
	23/03/2018	251850	0.530	278158	0.586
	c) At the end of the year	-	-	278158	0.586

**E. Shareholding of Directors and Key Managerial Personnel :**

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>Amar Singh</b>				
	a) At the beginning of the year	10458453	22.018	-	-
	b) Changes during the year	No change			
	c) At the end of the year	-	-	10458453	22.018
2.	<b>Pankaja Kumari Singh</b>				
	a) At the beginning of the year	2936414	6.182	-	-
	b) Changes during the year	No change			
	c) At the end of the year	-	-	2936414	6.182
3.	<b>Sanjiv Saraf</b>				
	a) At the beginning of the year	10000	0.021	-	-
	b) Changes during the year	No change			
	c) At the end of the year	-	-	10000	0.021
4.	<b>Sanjay Kumar Gupta (Resigned w.e.f. 15.03.2018)</b>				
	a) At the beginning of the year	6000	0.013	-	-
	b) Changes during the year	No change			
	c) At the end of the year	-	-	6000	0.013





**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding / accrued but not due for payment :

(In ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	9,66,41,776	6,84,50,000	-	16,50,91,776
ii) Interest due but not paid	-	2,27,17,606	-	2,27,17,606
iii) Interest accrued but not due	-	-	-	-
<b>Total(i+ii+iii)</b>	<b>9,66,41,776</b>	<b>9,11,67,606</b>	<b>-</b>	<b>18,78,09,382</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	-	7,72,00,000	-	7,72,00,000
- Reduction	2,33,11,507	4,07,00,000	-	6,40,11,507
<b>Net Change</b>	<b>2,33,11,507</b>	<b>3,65,00,000</b>	<b>-</b>	<b>1,31,88,493</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	7,33,30,269	10,49,50,000	-	17,82,80,269
ii) Interest due but not paid	-	3,49,09,280	-	3,49,09,280
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>7,33,30,269</b>	<b>13,98,59,280</b>	<b>-</b>	<b>21,31,89,549</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole- time Directors and / or Manager :**

(In ₹)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager Sanjiv Saraf	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	41,00,000	41,00,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	6,54,600	6,54,600
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify	- -	- -
5.	Others, please specify	-	-
	<b>Total (A)</b>	<b>47,54,600</b>	<b>47,54,600</b>
	Ceiling as per the Act	Remuneration is within the limits of provisions of law.	



**B. Remuneration to other Directors :**

(In ₹)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Amar Singh	Pankaja Kumari Singh	Sanjay Kumar Gupta	Vijoy Kumar	Gouri Prasad Goenka	Anil Gupta	Bijay Kumar Garodia	
1	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-	2,20,000	40,000	80,000	40,000	3,80,000
	<b>Total (1)</b>	-	-	-	2,20,000	40,000	80,000	40,000	3,80,000
2	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	80,000	80,000	1,70,000	-	-	-	-	3,30,000
	<b>Total (2)</b>	80,000	80,000	1,70,000	-	-	-	-	3,30,000
	<b>Total (B)=(1+2)</b>	80,000	80,000	1,70,000	2,20,000	40,000	80,000	40,000	7,10,000
	<b>Ceiling as per the Act</b>	Remuneration is within the limits of provisions of law.							
	<b>Total Managerial Remuneration (A+B)</b>								54,64,600
	<b>Overall Ceiling as per the Act</b>	Remuneration is within the limits of provisions of law.							

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD :**

(In ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
		Vijayshree Binnani	Amit Damani (Upto 15.03.2018)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	6,23,000	9,75,780	15,98,780
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	6,23,000	9,75,780	15,98,780



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

(In ₹)

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					



## INDEPENDENT AUDITORS' REPORT

TO

THE MEMBERS OF ENERGY DEVELOPMENT COMPANY LIMITED

### Report on the Standalone IND AS Financial Statements

We have audited the accompanying Standalone IND AS financial statements of **Energy Development Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information for the year ended on that date (hereinafter referred to as "Standalone Ind AS financial statements").

### Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that gives a true and fair view of the state of affairs (financial position), Profit or loss (financial performance including other comprehensive income), cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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 standalone Ind AS financial statements that gives 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 Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone Ind AS 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 Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 (financial position) of the Company as at March 31, 2018, its profit and total comprehensive income, its Cash Flows and the changes in equity for the year ended on that date.

### Emphasis of Matter

We draw attention to Note No. 6A (c) and (d) of the financial statements, considering the transaction for the transfer of 76% of holding in undertakings, which are involved in setting up hydel power plants at various locations, no impairment in the amount of loan of Rs. 6,09,21,035 and investment of Rs. 22,00,03,137 as on 31st March, 2018



representing 24% and 51% of the equity shares in Arunachal Pradesh and Uttarakhand undertaking respectively and 24% in preference shares being strategic in nature, has been considered necessary. Adjustment with respect to these being determinable on the status of implementation of the projects, resultant impact in this respect as such is presently not ascertainable.

Our opinion is not modified in respect of this matter.

#### **Other Matters**

The comparative Ind AS financial information of the Company for the corresponding year ended March 31, 2017 and 1st April, 2016 were based on the financial statements audited by the predecessor auditor who expressed unmodified opinion vide their report dated May 29, 2017 and May 30, 2016 respectively and reliance has been placed by us on the same for the purpose of this report. Our opinion is not modified in this respect.

#### **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 purposes of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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. Pending litigations (other than those already recognised in the financial statements) having material impact on the financial position of the Company have been disclosed in the financial statements as required in terms of relevant accounting standards and provisions of the Act [Note No. 30(a)].
  - ii. As explained to us, the Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts, including derivative contracts [Note No. 33(b)].
  - iii. During the year, the amounts which were required to be transferred to the Investor Education and Protection Fund have been transferred by the Company within the due date.
  - iv. The reporting requirement on disclosures relating to specified Bank note is not applicable to the company for the year ended 31st March, 2018.

For **A L P S & Co**  
Chartered Accountants  
Firm's ICAI Registration No. 313132E

Sd/- **A. K. Khetawat**  
Partner  
Membership No. 052751

Place : New Delhi  
Dated : 7th June, 2018



## **"ANNEXURE – A" TO THE INDEPENDENT AUDITORS' REPORT** referred to in our report of even date

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situations of its 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 the information and explanations given to us, the title deeds of immovable property are held 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 within the books of account.
- 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, as per the terms and conditions stipulated for loans given, there were no amount due for repayment during the year.
  - (c) Further, as informed to us, having regard to terms and conditions of the loan, there are no amount outstanding as on 31.03.2018 which were overdue in respect of such loans.
- iv) According to the information and explanations given to us, the Company has given loans and guarantee for loan taken by a subsidiary from banks or financial institutions which are in accordance with the provisions of Section 185 and 186 of the Act and the rules made thereunder, to the extent 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) We have broadly reviewed the cost records and accounts prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that prima-facie, such records have been made and maintained by the Company. However, we have not carried out any detailed examination of such accounts and records.
- vii) a. According to the information and explanations given to us, except in respect of tax deducted at source and income tax, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and other statutory dues to the extent applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of aforesaid dues for a period of more than six months from the date they become payable except ₹ 9,89,047 and ₹ 4,12,410 in respect of tax deducted at source and income tax respectively.
- b. According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods & Service Tax and Value Added Tax which have not been deposited on account of dispute except as given below :





Name of the Statute	Nature of Dues	Forum where Dispute is Pending	Amount (₹)	Period to which amount relates
The Income Tax Act, 1961	Income Tax	CIT (Appeals)	3,33,40,440	FY 2010-11, 2011-12, FY 2014-15, FY 2015-16
The West Bengal Value Added Tax Rules, 2005	Sales Tax	Joint Commissioner	22,52,013	FY 2012-13
The Finance Act, 1994	Service Tax	CESTAT	15,41,477	FY 2007-08

- viii) According to the information and explanations given to us, the Company has not defaulted in repayment of borrowings from banks. The Company has no loans or borrowings from financial institutions, government or debenture holders during the year.
- 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 examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across incidence of any material fraud on or by the Company nor have we been informed of any such cases by the management.
- xi) According to the information and explanations given to us, the managerial remuneration paid or provided during the year was in accordance with provisions of Section 197 read with Schedule V to the Act.
- 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 provisions of Clause 3(xiv) of the Order are 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) 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.

For **A L P S & Co**  
Chartered Accountants  
Firm's ICAI Registration No. 313132E

Sd/- **A. K. Khetawat**  
Partner  
Membership No. 052751

Place : New Delhi  
Dated : 7th June, 2018



## **“ANNEXURE – B” TO THE INDEPENDENT AUDITORS’ REPORT** referred to in our report of even date

**((Referred to in paragraph (g) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date))**

### **Report on the Internal Financial Controls Over Financial Reporting 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 Energy Development Company Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone Ind AS 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. 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 Companies Act, 2013.

#### **Auditor’s 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 standalone 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 authorizations of management and directors of the company; and (3) provide



reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone 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, 2018, 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 : New Delhi  
Dated : 7th June, 2018

For A L P S & Co  
Chartered Accountants  
Firm's ICAI Registration No. 313132E

Sd/- **A. K. Khetawat**  
*Partner*  
Membership No. 052751



## BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	Amount in ₹		
		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>ASSETS</b>				
<b>(1) Non Current Assets</b>				
(a) Property, Plant and Equipment	5A	38,78,22,651	41,61,83,746	44,60,63,533
(b) Other Intangible Assets	5B	2,96,784	4,06,720	5,76,824
<b>(c) Financial Assets</b>				
(i) Investment	6A	83,10,43,520	99,30,08,437	1,23,29,24,958
(ii) Loans	6B	-	32,20,58,166	26,52,18,291
(iii) Other Financial Assets	6C	93,67,566	1,39,17,675	1,19,96,799
(d) Non Current Tax Assets (net)	7	4,67,74,323	4,37,27,777	5,48,80,250
(e) Deferred Tax Assets (net)	8	3,90,59,232	3,46,70,906	3,91,95,621
(f) Other Non Current Assets	9	34,85,819	62,59,370	74,78,021
		<b>1,31,78,49,895</b>	<b>1,83,02,32,797</b>	<b>2,05,83,34,297</b>
<b>(2) Current Assets</b>				
(a) Inventories	10	1,27,48,916	1,11,55,296	1,28,07,425
<b>(b) Financial Assets</b>				
(i) Trade Receivables	11A	36,77,75,845	44,39,72,126	33,30,97,447
(ii) Cash & Cash Equivalents	11B	55,65,774	1,44,30,873	2,40,66,429
(iii) Bank Balances other than (ii) above	11C	3,53,35,815	5,76,26,131	3,99,50,663
(iv) Loans	11D	40,09,85,222	2,29,300	1,99,603
(v) Other Financial Assets	11E	51,24,27,457	56,52,01,145	75,46,438
(c) Other Current Assets	12	1,99,01,036	1,86,70,671	2,17,25,461
		<b>1,35,47,40,065</b>	<b>1,11,12,85,542</b>	<b>43,93,93,465</b>
<b>TOTAL ASSETS</b>		<b>2,67,25,89,960</b>	<b>2,94,15,18,339</b>	<b>2,49,77,27,762</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital	13A	47,50,00,000	47,50,00,000	47,50,00,000
(b) Other Equity	13B	1,29,84,37,732	1,31,26,61,115	1,30,69,63,427
		<b>1,77,34,37,732</b>	<b>1,78,76,61,115</b>	<b>1,78,19,63,427</b>
<b>LIABILITIES</b>				
<b>(1) Non Current Liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i) Borrowings	14	10,49,50,000	6,84,50,000	2,75,00,000
(b) Provisions	15	28,92,000	20,18,000	32,76,000
		<b>10,78,42,000</b>	<b>7,04,68,000</b>	<b>3,07,76,000</b>
<b>(2) Current Liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i) Borrowings	16A	7,33,30,269	9,66,41,776	6,31,55,932
(ii) Trade Payables	16B	20,05,12,453	30,21,98,325	24,10,36,827
(iii) Other Financial Liabilities	16C	44,47,61,308	61,06,19,356	31,63,74,222
(b) Other Current Liabilities	17	7,10,72,198	7,22,94,767	6,36,86,354
(c) Provisions	18	16,34,000	16,35,000	7,35,000
		<b>79,13,10,228</b>	<b>1,08,33,89,224</b>	<b>68,49,88,335</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>2,67,25,89,960</b>	<b>2,94,15,18,339</b>	<b>2,49,77,27,762</b>

Significant Accounting Policies 3

The accompanying notes(1-39) form an integral part of financial statements.

As per our Report of even date  
For **A L P S & Co**  
Chartered Accountants  
Firm's ICAI Registration No. 313132E

Sd/- **A. K. Khetawat**  
Partner  
Membership No. 052751

Place : New Delhi  
Dated : 7th June, 2018

For and on behalf of the Board of Directors

Sd/- **Amar Singh**, Non Executive Director (DIN : 00165567)

Sd/- **Pankaja Kumari Singh**, Director (DIN : 00199454)

Sd/- **Vinod Kumar Sharma**, Executive Director (DIN : 02879206)

Sd/- **Vijoy Kumar**, Director (DIN : 02970626)

Sd/- **Sunil Dutt Sharma**, Chief Financial Officer

Sd/- **Vijayshree Binnani**, Company Secretary



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note No.	Amount in ₹	
		Year ended 31st March 2018	Year ended 31st March 2017
<b>REVENUE :</b>			
I Revenue from Operations	19	40,22,90,114	1,03,21,26,169
II Other Income	20	5,41,72,768	4,01,79,870
<b>III Total Income (I + II)</b>		<b>45,64,62,882</b>	<b>1,07,23,06,039</b>
<b>IV EXPENSES :</b>			
(a) Cost of Materials Consumed	21	75,20,560	2,88,38,274
(b) Purchases of Stock-in-Trade	22	23,44,10,436	82,04,81,291
(c) Changes of Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	23	(14,75,420)	2,60,749
(d) Employee Benefits Expense	24	3,65,02,116	3,02,47,602
(e) Finance Costs	25	3,08,89,399	2,46,76,041
(f) Depreciation and Amortization Expense	26	2,89,74,981	3,03,38,929
(g) Other Expenses	27	10,44,43,371	13,94,80,809
<b>Total Expenses (IV)</b>		<b>44,12,65,443</b>	<b>1,07,43,23,695</b>
<b>V Profit/(Loss) before exceptional items and tax (III - IV)</b>		<b>1,51,97,439</b>	<b>(20,17,656)</b>
<b>VI Exceptional Items</b>	28	-	5,39,00,000
<b>VII Profit/(Loss) before tax for the year (V - VI)</b>		<b>1,51,97,439</b>	<b>5,18,82,344</b>
<b>VIII Tax Expense :</b>			
– Current tax	29A	93,92,386	1,33,00,000
– Deferred tax charge / (credit)	29A	(80,71,212)	44,50,323
<b>Total Tax Expense</b>		<b>13,21,174</b>	<b>1,77,50,323</b>
<b>IX Profit/(Loss) after tax for the year (VII - VIII)</b>		<b>1,38,76,265</b>	<b>3,41,32,021</b>
<b>X OTHER COMPREHENSIVE INCOME</b>			
(i) Items that will not be reclassified to profit or loss		7,25,000	2,25,000
(ii) Income tax relating to items that will not be reclassified to profit or loss	29C	(2,39,707)	(74,392)
Other Comprehensive Income for the year (net of tax)	29D	4,85,293	1,50,608
<b>XI Total Comprehensive Income for the year (IX + X)</b>		<b>1,43,61,558</b>	<b>3,42,82,629</b>
<b>XII Earnings per equity share of ₹ 10 each fully paid-up</b>			
– Basic & Diluted	34	0.29	0.72

Significant Accounting Policies

3

The accompanying notes(1-39) form an integral part of financial statements.

As per our Report of even date  
For **A L P S & Co**  
Chartered Accountants  
Firm's ICAI Registration No. 313132E

Sd/- **A. K. Khetawat**  
Partner  
Membership No. 052751

Place : New Delhi  
Dated : 7th June, 2018

**For and on behalf of the Board of Directors**

Sd/- **Amar Singh**, Non Executive Director (DIN : 00165567)

Sd/- **Pankaja Kumari Singh**, Director (DIN : 00199454)

Sd/- **Vinod Kumar Sharma**, Executive Director (DIN : 02879206)

Sd/- **Vijoy Kumar**, Director (DIN : 02970626)

Sd/- **Sunil Dutt Sharma**, Chief Financial Officer

Sd/- **Vijayshree Binnani**, Company Secretary



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

### (i) Equity Share Capital

Particulars	Amount in ₹
Balance as at April 1, 2016	47,50,00,000
Changes during the year	–
Balance as at March 31, 2017	47,50,00,000
Changes during the year	–
Balance as at March 31, 2018	47,50,00,000

### (ii) Other Equity

Particulars	Reserves and Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
Balance as at 1st April, 2016	12,51,65,345	59,00,00,000	22,88,636	58,95,09,446	1,30,69,63,427
Profit for the Year	–	–	–	3,41,32,021	3,41,32,021
Other Comprehensive Income for the year	–	–	–	1,50,608	1,50,608
<b>Total Comprehensive Income for the year</b>	–	–	–	<b>3,42,82,629</b>	<b>3,42,82,629</b>
Dividend Paid (Per Share Rs.0.5)	–	–	–	(2,37,50,000)	(2,37,50,000)
Tax on Dividend Paid	–	–	–	(48,34,941)	(48,34,941)
Balance as at 31st March, 2017	12,51,65,345	59,00,00,000	22,88,636	59,52,07,134	1,31,26,61,115
Profit for the Year	–	–	–	1,38,76,264	1,38,76,264
Other Comprehensive Income for the year	–	–	–	4,85,293	4,85,293
<b>Total Comprehensive Income for the year</b>	–	–	–	<b>1,43,61,558</b>	<b>1,43,61,558</b>
Dividend Paid (Per Share Rs.0.5)	–	–	–	(2,37,50,000)	(2,37,50,000)
Tax on Dividend Paid	–	–	–	(48,34,941)	(48,34,941)
Balance as at 31st March, 2018	12,51,65,345	59,00,00,000	22,88,636	58,09,83,751	1,29,84,37,732

Refer Note no. 13B for nature and purposes of reserves.

The accompanying notes (1-39) form an integral part of financial statements.

As per our Report of even date  
For **A L P S & Co**  
Chartered Accountants  
Firm's ICAI Registration No. 313132E  
  
Sd/- **A. K. Khetawat**  
Partner  
Membership No. 052751  
  
Place : New Delhi  
Dated : 7th June, 2018

For and on behalf of the Board of Directors

Sd/- **Amar Singh**, Non Executive Director (DIN : 00165567)  
Sd/- **Pankaja Kumari Singh**, Director (DIN : 00199454)  
Sd/- **Vinod Kumar Sharma**, Executive Director (DIN : 02879206)  
Sd/- **Vijoy Kumar**, Director (DIN : 02970626)  
Sd/- **Sunil Dutt Sharma**, Chief Financial Officer  
Sd/- **Vijayshree Binnani**, Company Secretary





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	31.03.2018		31.03.2017	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>A) Cash Flow From Operating Activities:</b>				
Profit/(Loss) before tax		1,51,97,438		5,18,82,344
<b>Adjustments for :</b>				
Depreciation & Amortisation	2,89,74,981		3,03,38,929	
Exceptional Items - (Profit)/loss on Sale of Investment	-		(5,39,00,000)	
Interest & Finance Charges	3,08,89,399		2,46,76,041	
Interest Income on financial instruments	(4,76,86,049)		(3,87,65,137)	
Impairment in value of long-term Investments	-		16,18,000	
Loss on fair valuation of Financial Instruments	16,31,681		27,82,096	
Financial Assets written off	3,43,70,015		2,75,79,749	
Amorisation of Prepayment for Leasehold Land	1,80,000		1,80,000	
Fair Value adjustment for prepayment of Loan	(16,61,317)		(13,95,007)	
Liabilty no longer required written back	(22,616)	4,66,76,095	(19,561)	(69,04,890)
<b>Operating Profit before Working Capital Changes</b>		6,18,73,534		4,49,77,454
<b>Adjustments for :</b>				
(Increase)/Decrease in Inventory	(15,93,621)		(3,42,321)	
(Increase)/Decrease in Trade and Other receivables	7,55,80,277		(10,71,82,652)	
Increase/(Decrease) in Trade and Other payables	(9,64,87,544)	(2,25,00,888)	6,94,10,707	(3,81,14,267)
<b>Cash generated from operations</b>		3,93,72,646		68,63,187
Direct Taxes paid (Net of refund)		75,45,755		21,47,526
<b>Net Cash Flow from Operating Activities</b>		3,18,26,891		47,15,661
<b>B) Cash Flow from Investing Activities</b>				
Purchase of Property, Plant and Equipment	(5,03,951)		17,05,412	
Sale of investments	-		5,88,00,000	
Advance received against Sale of Investments of Subsidiaries/associate	3,70,00,000		6,00,54,000	
Purchase of investment of subsidiaries/Associate	(2,43,00,000)		(11,88,00,000)	
Other purchase of investments	-		(6,00,000)	
Deposit / redemption of Margin Money and other bank balances	2,22,90,316		(1,76,75,469)	
Loan (Given) / Proceeds on repayment	(4,45,74,820)		(3,16,20,096)	
Interest Received	34,90,638	(65,97,816)	38,98,175	(4,42,37,978)
<b>Net Cash Flow from Investing Activities</b>		(65,97,816)		(4,42,37,978)
<b>C) Cash Flow from Financing Activities</b>				
Proceeds from / (repayments) of borrowings	1,31,88,493		7,44,35,844	
Interest & Finance Charges paid	(1,86,97,725)		(1,59,64,142)	
Dividend Paid	(2,37,50,000)		(2,37,50,000)	
Dividend Distribution Tax Paid	(48,34,941)	(3,40,94,173)	(48,34,941)	2,98,86,761
<b>Net Cash flow from Financing Activities</b>		(3,40,94,173)		2,98,86,761
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		(88,65,099)		(96,35,556)
<b>Cash and Cash equivalents at the beginning of the year</b>		1,44,30,873		2,40,66,429
<b>Cash and Cash equivalents at the end of the year</b>		55,65,774		1,44,30,873

The accompanying notes (1-39) form an integral part of financial statements.

### Notes :

- Cash Flow Statement is prepared by the indirect method as set out in Indian Accounting Standard - 7 on Cash Flow Statement
- Cash and cash equivalents as at the Balance Sheet date consists of :

Particulars	31.03.2018	31.03.2017
	Amount (₹)	Amount (₹)
<b>Cash and cash equivalents (Refer Note 11B)</b>		
- Balance with Banks on Current Accounts	53,63,474	1,42,73,420
- Cash on hand	2,02,301	1,57,453
<b>Cash and Cash equivalents at the end of the year</b>	<b>55,65,774</b>	<b>1,44,30,873</b>



3) Change in Company's liabilities arising from financing activities :

Particulars	As at 31.03.2017	Financing Cash flows*	Non Cash Flow	As at 31.03.2018
<b>Non-current borrowings (Refer Note 14)</b>				
Loan from Related Parties	4,99,50,000	5,50,00,000	–	10,49,50,000
Loan from Others	1,85,00,000	(1,85,00,000)	–	–
<b>Current Borrowings (Refer Note 16A)</b>				
Cash Credit from Bank	9,66,41,776	(2,33,11,507)	–	7,33,30,269
<b>Interest accrued but not due on borrowings (Refer Note 16C)</b>				
Interest accrued and due on borrowings				
– Related parties (Refer Note 31)	42,59,905	(20,56,496)	1,26,58,767	1,48,62,176
– Others	26,94,230	(1,30,14,836)	1,11,73,215	8,52,609
Interest accrued and due on Others	1,57,63,471	(36,26,393)	70,57,417	1,91,94,495
	<b>18,78,09,382</b>	<b>(55,09,232)</b>	<b>3,08,89,399</b>	<b>21,31,89,549</b>

\*Includes cash flows on account of both principal and interest.

4) Previous year's figures have been re-grouped/rearranged wherever considered necessary.

As per our Report of even date  
For **A L P S & Co**  
Chartered Accountants  
Firm's ICAI Registration No. 313132E  
  
Sd/- **A. K. Khetawat**  
*Partner*  
Membership No. 052751  
  
Place : New Delhi  
Dated : 7th June, 2018

**For and on behalf of the Board of Directors**  
  
Sd/- **Amar Singh**, *Non Executive Director* (DIN : 00165567)  
Sd/- **Pankaja Kumari Singh**, *Director* (DIN : 00199454)  
Sd/- **Vinod Kumar Sharma**, *Executive Director* (DIN : 02879206)  
Sd/- **Vijoy Kumar**, *Director* (DIN : 02970626)  
Sd/- **Sunil Dutt Sharma**, *Chief Financial Officer*  
Sd/- **Vijayshree Binnani**, *Company Secretary*



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

### NOTE 1

#### CORPORATE INFORMATION

Energy Development Company Limited ('the company') is a public limited company domiciled and incorporated in India under the provisions of Companies Act. The shares of the company are listed on National Stock Exchange of India Limited ['NSE'] and The Bombay Stock Exchange Limited ['BSE']. The registered office of the company is at Harangi Hydro Electric Project Village-Hulugunda, Taluka- Somawarpet District- Kodagu, Karnataka-571233. The company is primarily engaged in (a) generation and sale of bulk power to various electricity boards; (b) construction development, implementation, operation & maintenance of projects and consultancies and (c) trading of Power equipments, metals etc.

### NOTE 2

#### STATEMENT OF COMPLIANCE AND RECENT PRONOUNCEMENTS

##### 2.1 Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2017 and therefore Ind AS issued, notified and made effective till the financial statements are authorised have been considered for the purpose of preparation of these financial statements.

These are company's first Ind AS Financial Statements and the date of transition to Ind AS as required has been considered to be April 1, 2016. The Financial Statement upto March 31, 2017 were prepared as per the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (Previous GAAP) and Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 then applicable to the Company. Previous GAAP figures in the financial statements have now been restated in compliance to Ind AS.

In accordance with Ind AS 101- "First Time adoption of Indian Accounting Standards" (Ind AS 101), the company has presented (Note No. 38), a reconciliation of Shareholders' equity as given earlier under Previous GAAP and those considered in these accounts as per Ind AS as at March 31, 2017 and April 1, 2016 and also the Net Profit as per Previous GAAP and that arrived including Other Comprehensive Income under Ind AS for the year ended March 31, 2017. The mandatory exceptions and optional exemptions availed by the Company on First-time adoption have been detailed in Note No. 38 of the financial statement.

##### 2.2 Recent Pronouncements

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has issued the Companies (Indian Accounting Standards) Amendment Rules, 2018 notifying Ind AS 115, "Revenue from Contract with Customers" and Appendix B to Ind AS 21 "Foreign currency transactions and advance consideration" which are applicable with effect from financial periods beginning on or after April 1, 2018.

##### Ind AS 115 – Revenue from Contract with Customers

The standard requires that an entity should recognise revenue to depict the transfer of promised goods or services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effect of this amendment on the financial statements of the Company is being evaluated.

##### Ind AS 21 – Appendix B "Foreign currency transactions and advance consideration"

This Appendix applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it). The effect of this amendment on the financial statement of the Company is being evaluated.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

### NOTE 3

#### SIGNIFICANT ACCOUNTING POLICIES

##### 3.1 Basis of preparation of financial statements

The Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments and net defined benefit assets/ liabilities which are measured in terms of relevant Ind AS at fair value at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

Based on the nature of activities, the operating cycle has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees which is the Company's functional and presentation currency except otherwise stated.

##### Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

**Level 1 :** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2 :** Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

**Level 3 :** Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

For Financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments.

The company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant observable and unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

The Company recognises transfers between levels of fair value hierarchy at the end of the reporting period during which change has occurred.

##### 3.2 Property, Plant and Equipment (PPE)

- (a) Property, Plant and Equipment 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) Pre operative 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 PPE on completion of its construction / erection. Interest on borrowing 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.



- (c) Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.
- (d) Items of spare parts (procured along with plant and machinery or subsequently), stand by equipments and servicing equipments which meet the recognition criteria of PPE are capitalised. Other such spare parts or equipments are treated as and forming part of inventory.

### 3.3 Intangible Assets

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

### 3.4 Depreciation and Amortisation

Depreciation on assets of generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers & cable network has been provided on straight line method over useful life as per the implementation/other agreement with the authorities. Values of spares related to the machinery are depreciated over the effective life of the plant and machinery to which they relate. Erection and maintenance tools are amortised over a period of five years on pro-rata basis.

Other assets have been depreciated on written down value method at the rate and in the manner specified in Schedule II to the Companies Act, 2013.

Based on above, the estimated useful lives of various assets have been arrived as follows:

Category	Useful Life (years)
Roads	5 years
Electrical Installation	10 years
Plant and Equipments	7.5 years
Computer equipment	3 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Assets of generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers & cable network	30 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

Intangible assets are amortised over its useful life of 5 years.

### 3.5 Derecognition of Tangible and Intangible Assets

An item of tangible and intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise therefrom. Gain or loss on the disposal or retirement of an item of asset is determined as the difference between the sales proceeds/net realizable value and the carrying amount of the asset, is recognized in the Statement of Profit and Loss.

### 3.6 Impairment of Tangible and Intangible Assets

Tangible and Intangible assets 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 amount of assets exceed 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 on a pro-rata basis. Subsequent to recognition of impairment loss/reversal thereof, depreciation is provided on the revised carrying amount of the asset, on a systematic basis, over its remaining useful life.



### 3.7 Investments in subsidiaries and associates

The Company records the investments in subsidiaries and associate at cost less impairment loss, if any.

Investment in subsidiaries include “deemed investment” representing the differential with respect to carrying value and fair value of loan to certain subsidiaries which are strategic and in the nature of contribution. The carrying amount of deemed investment has been reviewed for diminution/impairment at the end of the year. In case of early repayment of loan, the related amount thereof is adjusted to statement of profit and loss.

### 3.8 Financial Assets and Financial Liabilities

Financial assets and financial liabilities (financial instruments) are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The financial instruments are subsequently classified at amortised cost, at Fair Value Through Profit and Loss (FVTPL) or Fair Value Through Other Comprehensive Income (FVTOCI) and such classification depends on the objective and contractual term to which they relate. Classification of financial instruments are determined on initial recognition.

#### i. Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

#### ii. Financial Assets and Financial Liabilities measured at amortized cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost. The above financial assets and financial liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) Method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the Financial Assets or Financial Liability to the gross carrying amount of the financial asset or to the amortized cost of the financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### iii. Financial Asset at Fair Value through Other Comprehensive Income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein, are recognized directly in Other Comprehensive Income.

iv. For the purpose of Para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

#### v. Financial Assets and Financial Liabilities at Fair value through profit or loss

Financial Instruments which does not meet the criteria of amortized cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. Upon initial recognition, attributable transaction costs are





recognized in the Statement of Profit and Loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in the Statement of Profit and Loss.

### 3.9 Impairment of financial assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset. The company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

### 3.10 De-recognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designed at FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in profit or loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

### 3.11 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.

Cost in respect of work in progress represents cost of materials remaining uncertified/incomplete under the construction/consultancy contracts undertaken by the company.

### 3.12 Leases

Payments made under operating leases are recognized as expenses on a straight-line basis over the term of the lease unless the lease agreement is structured to increase the amount in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognized as an expense in the period in which they are incurred.

### 3.13 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

### 3.14 Borrowing Cost

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale.

### 3.15 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a



provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

### 3.16 Revenue Recognition

- (a) Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuous management involvement and the amount of revenue can be measured reliably.
- (b) Revenue in respect of sale of electricity generated is accounted for on delivery to the grid in accordance with tariff provided in Power Purchase Agreement (PPA) read with the regulations of State Electricity Regulatory Commission.
- (c) Revenue against construction/consultancy contracts is recognized progressively on the basis of Percentage of Completion method. Stage of completion of contracts in progress is assessed or estimated in proportion to the contract costs incurred relative to the estimated total cost of the contract except where this is not representative of the stage of completion. In such case, the same is assessed with reference to the proportion of the contract work progressed/ technical assessment of the work executed in line with the terms of respective contracts and those billed to the customers as against the total contract.

### 3.17 Employee Benefits

Employee benefits are accrued in the year services are rendered by the employees.

Contribution to the defined contribution schemes such as Provident Fund etc. are recognized as and when incurred.

Contribution to defined benefit plans consisting of contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized immediately in the Balance Sheet with a corresponding debit or credit to Retained Earnings through Other Comprehensive Income ("OCI") in the period in which they occur.

Long term employee benefits consisting of Leave Encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain/loss are recognised in the Statement of Profit and Loss.

### 3.18 Taxation

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.



Deferred tax assets include Minimum Alternative Tax (MAT) measured in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable that the future economic benefit associated with same will be realised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

### 3.19 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### 3.20 Segment Reporting

Operating segments are identified and reported taking into account the different risk and return, organisation structure and internal reporting system.

## NOTE4

### CRITICAL ACCOUNTING JUDGMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates.

Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been summarised below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year have also be summarised here under:

#### 4.1 Depreciation / amortization and impairment on property, plant and equipment /intangible assets.

Property, plant and equipment and intangible assets are depreciated/ amortized on straight-line basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable. The Company reviews the estimated useful lives of the Property, Plant and Equipment regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Assets' recoverable amount is estimated which is higher of assets' or cash generating units(CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflects the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The reassessment may result in change due to variation in estimates assumption in future period.

#### 4.2 Leases and classification of leases

The company enters into various lease arrangements. The determination of lease and classification of the arrangement as a finance lease or operating lease is based on assessment of several factors, including but not limited to transfer of ownership



of assets at the end of the lease term, lessee's option to purchase and estimated certainty of exercising such option and proportion of present value of minimum lease payments to fair value of leasehold assets.

#### **4.3 Impairment allowances on financial assets**

The Company evaluates whether there is any objective evidence that financial asset including loan, trade and other receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience and these factors are subject to variations leading to consequential impact on the amounts considered in the financial statement.

#### **4.4 Application of "Service concession arrangements" accounting**

In assessing the applicability of the service concession arrangement with respect to hydro power plants of the Company, the management has exercised significant judgement considering the ownership of the assets and consideration thereagainst, operational capabilities and ability to sell the power generated to the consumer and determine the rate in this respect, in concluding that the arrangements with the Company as such do not meet the criteria for recognition as service concession arrangements.

#### **4.5 Income taxes**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. Availability of future taxable profits against which tax losses carried forward can be used also involves management judgement. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

#### **4.6 Defined benefit obligation (DBO)**

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

#### **4.7 Provisions and Contingencies**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.



**NOTE 5A**

**PROPERTY, PLANT AND EQUIPMENTS**

Amount in ₹

Particulars	Freehold Land	Buildings and Roads	Plant & Equipment	Hydraulic Works	Transmission Lines, Transformers & Cables, Networks, etc [Note b]	Office Equipment	Furniture and Fixtures	Motor Vehicle	Windmill [Note a]	Total
<b>1. GROSS CARRYING VALUE</b>										
Balance as at 31st March 2017	2,08,300	8,24,19,031	16,25,04,184	6,38,77,183	2,03,13,072	11,52,050	27,66,104	48,87,203	10,82,25,444	44,63,52,571
Additions/Adjustments	-	-	33,000	-	-	2,24,400	2,20,301	-	-	4,77,701
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2018</b>	<b>2,08,300</b>	<b>8,24,19,031</b>	<b>16,25,37,184</b>	<b>6,38,77,183</b>	<b>2,03,13,072</b>	<b>13,76,450</b>	<b>29,86,405</b>	<b>48,87,203</b>	<b>10,82,25,444</b>	<b>44,68,30,272</b>
<b>2. ACCUMULATED DEPRECIATION</b>										
Balance as at 31st March 2017	-	35,52,804	1,11,33,551	38,06,099	11,54,913	3,85,379	8,22,491	15,82,603	77,30,986	3,01,68,825
During the year	-	35,52,804	1,06,59,432	38,05,482	12,72,765	1,70,835	5,77,186	10,69,307	77,30,985	2,88,38,795
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2018</b>	<b>-</b>	<b>71,05,607</b>	<b>2,17,92,982</b>	<b>76,11,581</b>	<b>24,27,678</b>	<b>5,56,214</b>	<b>13,99,677</b>	<b>26,51,910</b>	<b>1,54,61,971</b>	<b>5,90,07,621</b>
<b>3. NET CARRYING VALUE as at 31st March 2018 (1-2)</b>	<b>2,08,300</b>	<b>7,53,13,424</b>	<b>14,07,44,202</b>	<b>5,62,65,602</b>	<b>1,78,85,394</b>	<b>8,20,236</b>	<b>15,86,728</b>	<b>22,35,293</b>	<b>9,27,63,473</b>	<b>38,78,22,651</b>
Particulars	Freehold Land	Buildings and Roads	Plant & Equipment	Hydraulic Works	Transmission Lines, Transformers & Cables, Networks, etc [Note b]	Office Equipment	Furniture and Fixtures	Motor Vehicle	Windmill [Note a]	Total
<b>1. GROSS CARRYING VALUE</b>										
Balance as at 1st April 2016 (Deemed Cost)	2,08,300	8,24,19,031	16,24,10,015	6,38,77,183	2,03,13,072	9,57,181	27,66,104	48,87,203	10,82,25,444	44,60,63,533
Additions/Adjustments	-	-	94,169	-	-	1,94,869	-	-	-	2,89,038
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2017</b>	<b>2,08,300</b>	<b>8,24,19,031</b>	<b>16,25,04,184</b>	<b>6,38,77,183</b>	<b>2,03,13,072</b>	<b>11,52,050</b>	<b>27,66,104</b>	<b>48,87,203</b>	<b>10,82,25,444</b>	<b>44,63,52,571</b>
<b>2. ACCUMULATED DEPRECIATION</b>										
Balance as at 1st April 2016	-	-	-	-	-	-	-	-	-	-
During the year	-	35,52,804	1,10,16,316	38,05,482	12,72,765	3,85,379	8,22,491	15,82,603	77,30,986	3,01,68,825
Deletions/Adjustments	-	-	1,17,235	617	(1,17,852)	-	-	-	-	-
<b>Balance as at 31st March 2017</b>	<b>-</b>	<b>35,52,804</b>	<b>1,11,33,551</b>	<b>38,06,099</b>	<b>11,54,913</b>	<b>3,85,379</b>	<b>8,22,491</b>	<b>15,82,603</b>	<b>77,30,986</b>	<b>3,01,68,825</b>
<b>3. NET CARRYING VALUE as at 31st March 2017 (1-2)</b>	<b>2,08,300</b>	<b>7,88,66,227</b>	<b>15,13,70,633</b>	<b>6,00,71,084</b>	<b>1,91,58,159</b>	<b>7,66,671</b>	<b>19,43,613</b>	<b>33,04,600</b>	<b>10,04,94,458</b>	<b>41,61,85,746</b>

**Note :** (a) The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net carrying amount has been considered as the gross carrying amount on that date. Further, in case of Windmill, due to application of IND AS 17 'Leases' land appurtenant to the windmill is reclassified as an operating lease.

(b) 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.

(c) Fixed Asset includes ₹ 285,475,336 (as at March 31, 2017: ₹ 303,216,231 , as at April 1, 2016: ₹ 320,957,127) pertaining to Power Generating plant which in terms of implementation agreement with various authorities will be handed over on completion of effective useful life of the assets in terms of respective agreements.



## NOTE 5B

### OTHER INTANGIBLE ASSETS- COMPUTER SOFTWARE

Particulars	As at	As at
	31st March 2018 ₹	31st March 2017 ₹
<b>1. GROSS CARRYING VALUE</b>		
Opening Balance	5,76,824	5,76,824
Additions/Adjustments	26,250	-
Deletions/Adjustments	-	-
<b>Closing Balance</b>	<b>6,03,074</b>	<b>5,76,824</b>
<b>2. ACCUMULATED AMORTISATION</b>		
Opening Balance	1,70,104	-
Amortization Expense during the Year	1,36,186	1,70,104
Deletions/Adjustments	-	-
<b>Closing Balance</b>	<b>3,06,290</b>	<b>1,70,104</b>
<b>3. NET CARRYING VALUE (1 - 2)</b>	<b>2,96,784</b>	<b>4,06,720</b>

**Note :** The Company has availed the deemed cost exemption in relation to the Intangible Asset on the date of transition and hence the net carrying amount has been considered as the gross carrying amount on that date.

## NOTE 6A

### NON CURRENT ASSETS - INVESTMENTS (At cost/ deemed cost unless otherwise stated)

Amount in ₹

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April 2016	
	No. of Shares	(₹)	No. of Shares	(₹)	No. of Shares	(₹)
<b>Investment in Equity shares of Subsidiaries ( Unquoted )</b>						
(i) Ayyappa Hydro Power Limited (FV of ₹ 10/- each fully paid up) [Refer Note (a) below] [Maximum amount during the year ₹ 300,000,000/- (Previous Year as on 31st March, 2017 ₹ 300,000,000/-)]	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000
(ii) EDCL Power Projects Limited (FV of ₹ 10/- each fully paid up) [Maximum amount during the year ₹ 40,000,000/- (Previous Year as on 31st March, 2017: ₹ 40,000,000/-)]	37,50,000	4,00,00,000	37,50,000	4,00,00,000	37,50,000	4,00,00,000
(iii) Eastern Ramganga Valley Hydel Projects Company Private Limited (FV of ₹ 10/- each fully paid up) [Refer Note (b) below] [Maximum amount during the year ₹ 51,000/- (Previous Year as on 31st March, 2017: ₹ 100,000/-)]	5,100	51,000	5,100	51,000	10,000	1,00,000
(iv) Sarju Valley Hydel Projects Company Private Limited (FV of ₹ 10/- each fully paid up) [Refer Note (b) below] [Maximum amount during the year ₹ 51,000/- (Previous Year as on 31st March, 2017: ₹ 100,000/-)]	5,100	51,000	5,100	51,000	10,000	1,00,000
(v) EDCL Arunachal Hydro Project Private Limited (FV of ₹ 10/- each fully paid up) [Refer Note (e) below] [Maximum amount during the year 1,01,00,000/- (Previous Year as on 31st March, 2017: ₹ 1,01,00,000/-)]	10,10,000	1,01,00,000	10,10,000	1,01,00,000	-	-
(vi) Arunachal Hydro Power Limited (FV of ₹ 10/- each fully paid up) [Refer Note (c) & (d) below] [Maximum amount during the year Nil (Previous Year as on 31st March, 2017: ₹ 148,000,000/-)]	-	-	-	-	1,48,00,000	14,80,00,000
		35,02,02,000		35,02,02,000		48,82,00,000
<b>Investment in Equity shares of Subsidiaries of (vi) above (Unquoted)</b>						
(vii) EDCL Arunachal Hydro Project Private Limited (FV of ₹ 10/- each fully paid up) [Refer Note (e) below] [Maximum amount during the year ₹ NIL/- (Previous Year 31st March, 2017: ₹ 1,00,000/-)]	-	-	-	-	10,000	1,00,000
		-		-		1,00,000
<b>Investment in Equity shares of Associate ( Unquoted )</b>						
(viii) Arunachal Hydro Power Limited (FV of ₹ 10/- each fully paid up) [Refer Note (c) & (d) below] [Maximum amount during the year ₹ 3,55,20,000/- (Previous Year 31st March, 2017 ₹ 3,55,20,000/-)]	35,52,000	3,55,20,000	35,52,000	3,55,20,000	-	-
		3,55,20,000		3,55,20,000		-
<b>Total Investment in Equity shares</b>	<b>(A)</b>	<b>38,57,22,000</b>		<b>38,57,22,000</b>		<b>48,83,00,000</b>





Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April 2016	
	No. of Shares	(₹)	No. of Shares	(₹)	No. of Shares	(₹)
<b>Investment in 10% Non Cumulative Redeemable Preference Shares of Subsidiaries ( Unquoted )</b>						
(ix) Ayyappa Hydro Power Limited (FV of ₹ 10/- each fully paid up ) [Refer Note (a) below] [Maximum amount during the year ₹ 22,00,00,000/- (Previous Year 31st March, 2017: ₹ 22,00,00,000/-)]	2,20,00,000	22,00,00,000	2,20,00,000	22,00,00,000	2,20,00,000	22,00,00,000
		22,00,00,000		22,00,00,000		22,00,00,000
<b>Investment in 10% Non Cumulative Redeemable Preference Shares of Subsidiaries ( Unquoted )</b>						
(x) Eastern Ramganga Valley Hydel Projects Company Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 3,81,88,800 (Previous Year as on 31st March, 2017: ₹ 15,91,20,000/-)]	4,32,000	3,81,88,800	4,32,000	3,81,88,800	18,00,000	15,91,20,000
(xi) Sarju Valley Hydel Projects Company Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 2,33,37,600 (Previous Year as on 31st March, 2017: ₹ 9,72,40,000/-)]	2,64,000	2,33,37,600	2,64,000	2,33,37,600	11,00,000	9,72,40,000
		6,15,26,400		6,15,26,400		25,63,60,000
<b>Investment in 10% Non Cumulative Redeemable Preference Shares of Associates ( Unquoted )</b>						
(xii) Arunachal Hydro Power Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 33,00,00,000/- (Previous Year 31st March, 2017: ₹ 33,00,00,000)]	35,88,000	7,92,00,000	35,88,000	7,92,00,000	-	-
		7,92,00,000		7,92,00,000	-	-
<b>Investment in 10% Cumulative Redeemable Preference Shares of Subsidiaries of (vi)/(viii) above ( Unquoted )</b>						
(xiii) EDCL Seppa Rieng Power Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 1,89,83,368/- (Previous Year as on 31st March, 2017: ₹ 1,89,83,368/-)]	84,000	45,56,008	3,50,000	1,89,83,368	3,50,000	1,89,83,368
(xiv) EDCL Seppa Beyond Hydro Electric Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 2,17,20,000/- (Previous Year as on 31st March, 2017: ₹ 2,17,20,000/-)]	96,000	52,12,800	4,00,000	2,17,20,000	4,00,000	2,17,20,000
(xv) EDCL Seppa Dunkho Hydro Electric Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 2,17,20,000/- (Previous Year as on 31st March, 2017: ₹ 2,17,20,000/-)]	96,000	52,12,800	4,00,000	2,17,20,000	4,00,000	2,17,20,000
(xvi) EDCL Seppa Jung Power Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 2,17,20,000/- (Previous Year as on 31st March, 2017: ₹ 2,17,20,000/-)]	96,000	52,12,800	4,00,000	2,17,20,000	4,00,000	2,17,20,000
(xvii) EDCL Seppa Kawa Power Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 2,17,20,000/- (Previous Year as on 31st March, 2017: ₹ 2,17,20,000/-)]	96,000	52,12,800	4,00,000	2,17,20,000	4,00,000	2,17,20,000
(xviii) EDCL Seppa Lada Hydro Electric Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 2,17,20,000/- (Previous Year as on 31st March, 2017: ₹ 2,17,20,000/-)]	96,000	52,12,800	4,00,000	2,17,20,000	4,00,000	2,17,20,000
(xix) EDCL Seppa Marjingla Hydro Electric Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 2,17,20,000/- (Previous Year as on 31st March, 2017: ₹ 2,17,20,000/-)]	96,000	52,12,800.00	4,00,000	2,17,20,000	4,00,000	2,17,20,000
(xx) EDCL Seppa Nire Hydro Electric Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 1,08,71,369/- (Previous Year as on 31st March, 2017: ₹ 1,08,71,369/-)]	48,000	26,09,129	2,00,000	1,08,71,369	2,00,000	1,08,71,369
(xxi) EDCL Seppa Pachuk Power Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 2,17,20,000/- (Previous Year as on 31st March, 2017: ₹ 2,17,20,000/-)]	96,000	52,12,800	4,00,000	2,17,20,000	4,00,000	2,17,20,000
		4,36,54,737		18,18,94,737		18,18,94,737
<b>Total Investment in Preference shares</b>	<b>(B)</b>	<b>40,43,81,137</b>		<b>54,26,21,137</b>		<b>65,82,54,737</b>
<b>Investments Deemed Equity -Subsidiaries</b>						
(xxii) Ayyappa Hydro Power Limited		3,70,26,642		6,11,17,111		8,09,46,518
(xxiii) EDCL Arunachal Hydro Project Private Limited		1,92,764		3,14,334		4,32,330
(xxiv) EDCL Power Projects Limited		34,92,435		46,23,312		47,62,831
	<b>(C)</b>	<b>4,07,11,841</b>		<b>6,60,54,758</b>		<b>8,61,41,679</b>



Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April 2016	
	No. of Shares	(₹)	No. of Shares	(₹)	No. of Shares	(₹)
<b>Investment through PMS ( Unquoted ) (at Fair Value through Profit and Loss)</b>						
(xxv) Sai Rayalaseema Paper Mills Limited (FV of ₹ 10/- each fully paid up) [Maximum amount during the year ₹ 2,28,542/- (Previous Year as on 31st March, 2017: ₹ 2,28,542/-)]	18,810	2,28,542	18,810	2,28,542	18,810	2,28,542
<b>Total Investment in PMS</b>	(D)	2,28,542		2,28,542		2,28,542
	<b>Total (A+B+C+D)</b>	<b>83,10,43,520</b>		<b>99,46,26,437</b>		<b>1,23,29,24,958</b>
Less : Impairment in value of Investments		-		16,18,000		-
		<b>83,10,43,520</b>		<b>99,30,08,437</b>		<b>1,23,29,24,958</b>
<b>Aggregate amount of unquoted investments</b>		<b>83,10,43,520</b>		<b>99,46,26,437</b>		<b>1,23,29,24,958</b>
<b>Aggregate impairment in value of long-term investments</b>		-		16,18,000		-

**Note :**

- (a) The shares held in Ayyappa Hydro Power Limited, a subsidiary are pledged (3,00,00,000 equity shares and 2,20,00,000 preference shares) with the lender of the said subsidiary.
- (b) The company has pledged 2,700 (out of 5,100) equity shares held in Eastern Ramganga Valley Hydel Projects Company Private Limited and 2,700 (out of 5,100) equity shares held in Sarju Valley Hydel Projects Company Private Limited, subsidiaries of the company with other investors of these subsidiaries till implementation of the agreement mentioned in (c) below. The company has also received in advance consideration on sale of these investments as shown in Note 16C.
- (c) In terms of an agreement dated 9th November, 2015, for transfer of 76% of the Company's investment in various erstwhile wholly owned subsidiaries undertaking hydel power plants in the State of Arunachal Pradesh and Uttarakhand having aggregate capacity of 660 MW approximately (herein referred to as Arunachal Pradesh and Uttarakhand Undertaking respectively), to another strategic investor, certain investments in equity shares of these subsidiaries/associate of ₹ 11,25,78,000 [out of (iii), (iv) and (vi)/(viii) above] and preference shares of ₹ 58,38,73,000 (including ₹13,82,40,000 sold during the year) [out of (x) to (xxi) above] have been sold to the said investor. In terms of the above, company's investment of ₹ 22,00,03,137 as on 31st March, 2018 representing 24% and 51% of the equity in Arunachal Pradesh and Uttarakhand undertaking respectively and 24% in preference shares have been continued to be held by the company. These being investment in subsidiaries and associates and also long term and strategic in nature, have been carried at cost.
- (d) Evaluation of impairment in the value of investment as given in (c) above and loans of ₹ 6,09,21,035 (Refer Note 6B(b) (iv), (iv) & (c)(i)) outstanding from the above subsidiaries and associate, pending completion of the project, have not been carried out. Impact in this respect as such, is presently not ascertainable which will be determined depending upon implementation status of the project.
- (e) The company has purchased equity shares in EDCL Arunachal Hydro Project Private Limited and consequently, it ceased to become a subsidiary of Arunachal Hydro Power Limited and has become a wholly-owned subsidiary of the company w.e.f. 1st October, 2016.
- (f) Movement for impairment of Investment:

Particulars	As at	As at
	31st March 2018	31st March 2017
	₹	₹
<b>Balance at the beginning of the year</b>	<b>16,18,000</b>	-
Impairment made during the year	-	16,18,000
Adjusted against other financial asset (Refer Note 11E)	<b>-16,18,000</b>	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>16,18,000</b>

- (g) In pursuance of Section 187(2)(c) of the Companies Act, 2013, investments purchased [ mentioned in (xiii), (xx) and (xxi)] by the Company, during the year are still lying in the name of transferor for want of performance of obligation undertaken by the Company, as per agreement entered with the seller.
- (h) The Company has elected to continue with the carrying value of its investments in subsidiaries and associates, measured as per the Previous GAAP and use that carrying value on the transition date April 1, 2016 in terms of Ind AS 101 'First -time Adoption of Indian Accounting Standards'.
- (i) Details of Subsidiaries and Associate in accordance with Ind AS 112 "Disclosure of interest in other entities" :

Name of the Company	Country of Incorporation	Proportionate Shareholding		
		As at 31st March 2018	As at 31st March 2017	As at 1st April, 2016
Ayyappa Hydro Power Limited	India	100%	100%	100%
EDCL Power Projects Limited	India	100%	100%	100%
EDCL Arunachal Hydro Project Private Limited	India	100%	100%	0.99%
Eastern Ramganga Valley Hydel Projects Company Private Limited	India	51%	51%	100%
Sarju Valley Hydel Projects Company Private Limited	India	51%	51%	100%
Arunachal Hydro Power Limited	India	24%	24%	100%



## NOTE 6B

### NON CURRENT ASSETS - LOANS (At ammortised cost) (Unsecured,considered good)

Amount in ₹

Particulars		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Loan to employees (Refer (a) below) (Refer Note 11D)		-	1,44,800	3,00,800
Loan to Subsidiaries & Associate (Refer (b), (c) and (d) below) (Refer Note 31)		-	32,19,13,366	26,49,17,491
		-	32,20,58,166	26,52,18,291
<b>(a)</b>	<b>Particulars of loan to employees</b>			
(i)	Loan to employees [Maximum outstanding ₹ 7,57,100/- (Previous Year as on 31st March, 2017: ₹ 6,84,527 /- Previous Year 15-16 ₹ 10,13,986/-)]	-	1,44,800	3,00,800
<b>(b)</b>	<b>Particulars of loan to subsidiaries</b>			
(i)	Ayyappa Hydro Power Limited [Maximum amount during the year ₹ 30,86,82,096/- (Previous Year as on 31st March, 2017: ₹ 24,02,36,807/- )]	30,86,82,096	24,02,36,807	19,99,03,483
(ii)	EDCL Arunachal Hydro Project Private Limited [Maximum amount during the year ₹ 16,07,236 (Previous Year as on 31st March, 2017: ₹ 12,35,666 /-)]	16,07,236	12,35,666	10,67,670
(iii)	EDCL Power Projects Limited [Maximum amount during the year ₹ 3,17,44,564 (Previous Year as on 31st March, 2017: ₹ 1,81,66,688/-)]	2,92,67,566	1,81,66,688	1,17,62,169
(iv)	Eastern Ramganga Valley Hydel Projects Company Private Limited [Maximum amount during the year ₹ 58,37,777/- (Previous Year as on 31st March, 2017: ₹ 52,12,301 /-)]	58,37,777	52,12,301	40,57,147
(v)	Sarju Valley Hydel Projects Company Private Limited [Maximum amount during the year ₹ 24,16,097 /- (Previous Year as on 31st March, 2017: ₹ 21,57,229 /-)]	24,16,097	21,57,229	16,47,771
(vi)	Arunachal Hydro Power Limited ( Refer Note 6A(e) )	-	-	4,64,79,250
<b>(c)</b>	<b>Particulars of loans to Associate ( Refer Note 6A(e) )</b>			
(i)	Arunachal Hydro Power Limited [Maximum amount during the year ₹ 5,97,75,448/- (Previous Year as on 31st March, 2017: ₹ 5,49,04,675/-)]	5,26,67,161	5,49,04,675	-
		40,04,77,933	32,19,13,366	26,49,17,491
<b>(d)</b>	These loans to Subsidiaries & Associate have been given for business purposes. They are repayable in FY 2018-19 and accordingly have been disclosed under Current Financial Asset- Loans (Note 11D) as at 31st March, 2018			

## NOTE 6C

### OTHER NON CURRENT FINANCIAL ASSETS (Unsecured,considered good)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security Deposits/Retention Money with Customers	57,42,402	1,06,89,101	90,21,726
Other Security Deposits	35,30,164	31,33,574	28,80,074
On Margin Money Accounts (Refer (a) below) - (With more than 12 months maturity) (Refer Note 11C (a))	95,000	95,000	95,000
	<u>93,67,566</u>	<u>1,39,17,675</u>	<u>1,19,96,799</u>
(a) Security Deposit with Sales Tax Authorities			

## NOTE 7

### NON CURRENT TAX ASSETS (NET)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance Income Tax (Net of provisions)	4,67,74,323	4,37,27,777	5,48,80,250
	<u>4,67,74,323</u>	<u>4,37,27,777</u>	<u>5,48,80,250</u>

**NOTE 8****DEFERRED TAX ASSETS (NET)**

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred Tax Asset	4,50,21,694	4,21,99,508	4,78,89,900
Deferred Tax Liabilities	59,62,463	75,28,601	86,94,278
	<u>3,90,59,232</u>	<u>3,46,70,906</u>	<u>3,91,95,621</u>

	As at 31.03.2017	(Charge)/ Credit in Statement of Profit and Loss	(Charge)/ Credit in OCI	Others	As at 31.03.2018
<b>Deferred Tax Liabilities</b>					
Depreciation difference	75,28,601	(15,66,139)	–	–	59,62,463
<b>Total</b>	<u>75,28,601</u>	<u>(15,66,139)</u>	<u>–</u>	<u>–</u>	<u>59,62,463</u>

	As at 31.03.2017	(Charge)/ Credit in Statement of Profit and Loss	(Charge)/ Credit in OCI	Others	As at 31.03.2018
<b>Deferred Tax Assets</b>					
Unused tax Credit	3,27,15,860	83,93,147	–	(34,43,180)	3,76,65,827
Expenses allowable on payment basis under Income Tax Act, 1961	36,38,547	5,29,406	2,39,707	–	39,28,246
Impairment on Investment	5,34,959	5,194	–	–	5,40,153
Fair Valuation of Financial Assets	53,10,141	(24,22,673)	–	–	28,87,468
<b>Total</b>	<u>4,21,99,508</u>	<u>65,05,074</u>	<u>2,39,707</u>	<u>(34,43,180)</u>	<u>4,50,21,694</u>

<b>Net Deferred Tax (Liabilities)/Assets</b>	3,46,70,906	80,71,212	(2,39,707)	(34,43,180)	3,90,59,232
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	As at 01.04.2016	(Charge)/Credit in Statement of Profit and Loss	(Charge)/ Credit in OCI	Others	As at 31.03.2017
<b>Deferred Tax Liabilities</b>					
Depreciation difference	86,94,278	(11,65,677)	–	–	75,28,601
<b>Total</b>	<u>86,94,278</u>	<u>(11,65,677)</u>	<u>–</u>	<u>–</u>	<u>75,28,601</u>

	As at 31.03.2017	(Charge)/ Credit in Statement of Profit and Loss	(Charge)/ Credit in OCI	Others	As at 31.03.2018
<b>Deferred Tax Assets</b>					
Unused tax Credit	3,80,15,860	(53,00,000)	–	–	3,27,15,860
Expenses allowable on payment basis under Income Tax Act, 1961	28,87,553	8,25,386	74,392	–	36,38,547
Impairment on Investment	–	5,34,959	–	–	5,34,959
Fair Valuation of Financial Assets	69,86,487	(16,76,346)	–	–	53,10,141
<b>Total</b>	<u>4,78,89,900</u>	<u>(56,16,000)</u>	<u>74,392</u>	<u>–</u>	<u>4,21,99,508</u>

<b>Net Deferred Tax (Liabilities)/Assets</b>	3,91,95,621	(44,50,323)	(74,392)	–	3,46,70,906
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**NOTE 9****OTHER NON CURRENT ASSETS**

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred Asset - Unamortised cost of Financial Instruments	18,66,558	41,34,109	54,98,760
Prepayments on Leasehold Land	16,19,261	17,99,261	19,79,261
Receivable from Gratuity Fund	–	3,26,000	–
	<u>34,85,819</u>	<u>62,59,370</u>	<u>74,78,021</u>



## NOTE 10

### INVENTORIES (At Lower of Cost and Market Value)

(As taken, valued and certified by the management)

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Contract work-in-progress	1,06,72,462	91,97,042	94,57,791
Goods in transit	1,17,234	–	14,88,886
Stores, Spares and Consumables	19,59,220	19,58,254	18,60,747
	<u>1,27,48,916</u>	<u>1,11,55,296</u>	<u>1,28,07,425</u>

## NOTE 11A

### TRADE RECEIVABLES

(Unsecured, considered good)

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Outstanding for a period of more than six months	27,80,48,054	33,47,93,531	5,37,78,225
Other Debts	8,97,27,792	10,91,78,595	27,93,19,222
	<u>36,77,75,845</u>	<u>44,39,72,126</u>	<u>33,30,97,447</u>

- Trade receivables ₹ 26,67,420/- (previous year as on 31st March, 2017 ; ₹ 1,52,91,660/- and as on 1st April, 2016; ₹ Nil) in respect of sale of power from generation by 6MW Harangi-II SHP are subject to a charge in favour of lenders of one of the subsidiaries.

### Age of Receivable

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Within Credit period	8,18,63,840	7,30,39,383	24,14,83,507
1-180 days past due	78,63,952	3,61,39,212	3,78,35,715
181 days- 1 year past due	1,24,45,140	7,28,01,430	71,37,795
more than 1 year past due	26,56,02,914	26,19,92,100	4,66,40,431
<b>Total</b>	<u>36,77,75,845</u>	<u>44,39,72,126</u>	<u>33,30,97,447</u>

## NOTE 11B

### CASH AND CASH EQUIVALENTS

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balance with Banks on Current Accounts	53,63,474	1,42,73,420	2,36,68,747
Cash on hand	2,02,301	1,57,453	3,97,682
	<u>55,65,774</u>	<u>1,44,30,873</u>	<u>2,40,66,429</u>

## NOTE 11C

### BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
on Unpaid Dividend Account	7,42,317	6,95,657	7,20,663
on Margin Money Accounts (Refer (a) below) (with less than 12 months maturity)	3,45,93,498	5,69,30,474	3,92,30,000
	<u>3,53,35,815</u>	<u>5,76,26,131</u>	<u>3,99,50,663</u>

(a) Margin money are deposited with banks against bank guarantees and Letter of Credit issued.



## NOTE 11D

### CURRENT ASSETS - LOANS (At Amortised Cost)

(Unsecured, considered good)

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Loan to employees (Refer Note 6B)	5,07,289	2,29,300	1,99,603
Loan to Subsidiaries & Associate (Refer Note 6B and 31)	40,04,77,933	–	–
	<u>40,09,85,222</u>	<u>2,29,300</u>	<u>1,99,603</u>

## NOTE 11E

### OTHER CURRENT FINANCIAL ASSETS

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Gross Receivable against Sale of Shares	49,94,51,600	55,82,11,600	–
Less: Impairment in value of Investments	16,18,000	–	–
Net Receivable against Sale of Shares	49,78,33,600	55,82,11,600	–
Security Deposits/Retention Money with customers	64,24,613	–	–
Interest Receivable	74,97,868	62,28,180	53,96,184
Other Advances(Refer (i) and (ii) below)	6,71,377	7,61,365	21,50,254
	<u>51,24,27,457</u>	<u>56,52,01,145</u>	<u>75,46,438</u>

- (i) Includes ₹ 67,468/- (Previous Year as on 31st March, 2017: ₹ 22,980/- & as on 1st April, 2016: ₹ 6,29,000/-) recoverable from subsidiaries and associate (Refer Note 31)
- (ii) Includes ₹ NIL/- (Previous Year as on 31st March, 2017 ₹ 3,194/- & as on 1st April, 2016: ₹ 75,643/-) recoverable from other related parties (Refer Note 31)

## NOTE 12

### OTHER CURRENT ASSETS

(Unsecured, considered good)

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balance with Government authorities	32,51,838	1,80,946	28,77,548
Advance to suppliers	1,43,63,165	1,45,01,796	1,46,92,599
Prepaid expenses	3,60,262	28,00,921	31,97,852
Prepayments on Leasehold Land	1,80,000	1,80,000	1,80,000
Deferred Asset - Unamortised cost of Financial Instruments	6,94,162	–	–
Other Advances	10,51,601	10,07,008	7,77,461
	<u>1,99,01,036</u>	<u>1,86,70,671</u>	<u>2,17,25,460</u>





**NOTE 13A**  
**EQUITY SHARE CAPITAL**

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Authorised</b>			
5,00,00,000 (Previous Year as on 31st March, 2017: 5,00,00,000 & as on 1st April, 2016 : 5,00,00,000) Equity shares of ₹ 10/- each	<u>50,00,00,000</u>	<u>50,00,00,000</u>	<u>50,00,00,000</u>
	<u>50,00,00,000</u>	<u>50,00,00,000</u>	<u>50,00,00,000</u>
<b>Issued, Subscribed and Paid-up</b>			
4,75,00,000 (Previous Year as on 31st March, 2017: 4,75,00,000 & as on 1st April, 2016 : 4,75,00,000) Equity shares of ₹ 10/- each fully paid up	<u>47,50,00,000</u>	<u>47,50,00,000</u>	<u>47,50,00,000</u>
	<u>47,50,00,000</u>	<u>47,50,00,000</u>	<u>47,50,00,000</u>

Reconciliation of the number of equity shares outstanding	No. of Shares	No. of Shares
At the beginning	4,75,00,000	4,75,00,000
Add : Issued during the year	-	-
<b>At the end</b>	<b>4,75,00,000</b>	<b>4,75,00,000</b>

Shareholders holding more than 5% of equity shares	No. of shares (%)	No. of shares (%)	No. of shares (%)
Sterlite Merchants LLP	-	-	1,35,62,084 (28.55%)
Sarvottam Caps Private Limited	1,18,00,000 (24.84%)	1,18,00,000 (24.84%)	1,18,00,000 (24.84%)
Amar Singh	1,04,58,453 (22.02%)	14,58,453 (3.07%)	14,58,453 (3.07%)
Pankaja Kumari Singh	29,36,414 (6.18%)	4,68,938 (0.99 %)	4,68,938 (0.99%)
Shivmangal Securities Pvt Ltd. (*)	-	1,14,67,476 (24.14%)	-

\*Held by clearing member due for transfer to Mr. Amar Singh & Mrs. Panakaja Kumari Singh increasing their shareholding to 1,04,58,453 shares (22.02%) and 29,36,414 shares (6.18%) respectively.

**Rights, Preferences and Restrictions attaching 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) The Board of Directors has recommended payment of dividend @ 5% (₹ 0.50) per equity share on the paid-up share capital of the company for the financial year 2017-2018 subject to approval of members at the ensuing Annual General Meeting.



## NOTE 13B OTHER EQUITY

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital Reserve	12,51,65,345	12,51,65,345	12,51,65,345
Securities Premium	59,00,00,000	59,00,00,000	59,00,00,000
General Reserve	22,88,636	22,88,636	22,88,636
Retained Earnings	58,09,83,751	59,52,07,134	58,95,09,446
<b>Total</b>	<b>1,29,84,37,732</b>	<b>1,31,26,61,115</b>	<b>1,30,69,63,427</b>

Refer Statement of Changes in Equity (SOCE) for movement of changes in reserves

### Capital Reserve

#### Capital Reserve includes:

- ₹ 124,000,000 ( as at 31st March, 2017 ₹ 124,000,000, as at 1st April, 2016 ₹ 124,000,000) representing the reserves arising on forfeiture of 75,00,000 share warrants issued on preferential basis.
- ₹ 1,165,345 (as at 31st March, 2017 ₹ 1,165,345, as at 1st April, 2016 : ₹ 1,165,345) representing reserves arising on amalgamation pursuant to the scheme of arrangement with erstwhile Dhanashree Projects Limited. The said scheme was sanctioned by the Honorable High Court of Bangalore and Kolkata vide order dated August 12, 2010 and September 15, 2010 respectively.

### Securities Premium Reserve :

Securities Premium Reserve represents the amount received in excess of par value of equity shares issued by the company and is to be utilised for as specified under Section 52 of Companies Act, 2013.

### General Reserve :

The general reserve is created from time to time by appropriating profits from retained earnings. The general reserve is created by transfer from one component of equity to another and accordingly it is not reclassified to the Statement of profit and loss.

### Retained earnings :

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company. Any actuarial gains and losses arising on defined benefit obligations have been recognised in retained earnings.

## NOTE 14

### NON CURRENT BORROWINGS

(Unsecured)

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Loan from Related Parties</b>			
From Bodies Corporate (Refer Note 31)	10,49,50,000	4,99,50,000	1,50,00,000
<b>Loan from Others</b>			
From Bodies Corporate	–	1,85,00,000	1,25,00,000
	<b>10,49,50,000</b>	<b>6,84,50,000</b>	<b>2,75,00,000</b>

### Terms of Repayment

These loans are repayable in the financial year 2019-20. Interest rate wherever applicable, is 12%.

## NOTE 15

### NON CURRENT PROVISIONS

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Leave Encashment	22,16,000	20,18,000	22,56,000
Provision for Gratuity	6,76,000	–	10,20,000
	<b>28,92,000</b>	<b>20,18,000</b>	<b>32,76,000</b>



## NOTE 16A CURRENT BORROWINGS

(Secured)

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash Credit from Bank	7,33,30,269	9,66,41,776	6,31,55,932
	<u>7,33,30,269</u>	<u>9,66,41,776</u>	<u>6,31,55,932</u>

(Secured by hypothecation of entire stocks and other movables of the company including all movable Plant and Machinery, Furniture and Fixtures, Vehicles, Computers and other accessories etc. stored or to be stored, at the premises / godowns of the company's contract division and also all present and future book debts, outstanding monies, receivables, claims, bills etc. and equitable mortgage of immovable properties at 9MW Harangi Hydro Electric Project)

## NOTE 16B TRADE PAYABLES

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Payables for goods and services			
– Dues to Micro and Small Enterprises	–	–	–
– Dues to Others [Refer (c) and (d) below]	20,05,12,453	30,21,98,325	24,10,36,827
	<u>20,05,12,453</u>	<u>30,21,98,325</u>	<u>24,10,36,827</u>

- 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.
- Payables for goods and services includes acceptances amounting to ₹ 8,41,09,175/- (Previous Year as on 31st March, 2017: ₹ 18,09,06,500 /- & as on 1st April, 2016: ₹ 10,00,75,310/-)
- Includes ₹ 15,280 (Previous Year as on 31st March, 2017: ₹ NIL /- & as on 1st April, 2016 ₹ 5,24,000 /-) payable to Subsidiaries and Associate (Refer Note 31)
- Includes ₹ 86,900 (Previous Year as on 31st March 2017: ₹ 117,643/- & as on 1st April, 2016: ₹ NIL/-) payable to other related parties (Refer Note 31)

## NOTE 16C OTHER CURRENT FINANCIAL LIABILITIES

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Payable towards Purchase of Investments	39,98,81,369	42,41,81,369	19,86,81,369
Advance against Sale of Investments	–	16,00,00,000	10,00,00,000
Advance against Sale of Shares (Secured)[Refer Note 6A(b)]	54,000	54,000	–
Interest accrued and due on borrowings			
– Related parties (Refer Note 31)	1,48,62,176	42,59,905	7,94,466
– Others	8,52,609	26,94,230	8,78,794
	<u>1,57,14,785</u>	<u>69,54,135</u>	<u>16,73,260</u>
Interest accrued and due on Others	1,91,94,495	1,57,63,471	1,23,32,447
Unpaid Dividends (Refer (i) below)	7,42,317	6,95,657	7,20,663
Other Payables	91,74,342	29,70,724	29,66,483
	<u>44,47,61,308</u>	<u>61,06,19,356</u>	<u>31,63,74,222</u>

- As at the year end there are no amounts due for payment to the investor education and protection fund u/s 125 of the Companies Act, 2013.



**NOTE 17  
OTHER CURRENT LIABILITIES**

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance from customers	6,66,80,341	6,66,80,341	4,69,90,885
Statutory Payables	43,91,857	54,58,669	1,65,39,710
Other Payables	–	1,55,757	1,55,759
	<u>7,10,72,198</u>	<u>7,22,94,767</u>	<u>6,36,86,354</u>

**NOTE 18  
CURRENT PROVISIONS**

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Leave Encashment	16,34,000	16,35,000	7,35,000
	<u>16,34,000</u>	<u>16,35,000</u>	<u>7,35,000</u>

**NOTE 19  
REVENUE FROM OPERATIONS**

Particulars	Year ended	
	31st March, 2018	31st March, 2017
Sale of Products		
– Hydro power (*)	11,17,84,617	8,64,60,514
– Wind power (*)	1,88,25,433	2,17,65,096
– Construction contracts	1,26,07,358	4,32,32,883
– Traded goods	24,14,48,206	83,04,40,675
	<u>38,46,65,614</u>	<u>98,18,99,169</u>
Sale of Services	1,76,24,500	5,02,27,000
	<u>40,22,90,114</u>	<u>1,03,21,26,169</u>
<b>(*) Total number of the units generated and sold (In million units)</b>		
– Hydro power	32.27 m.u.	25.66 m.u.
– Wind power	5.54 m.u.	6.40 m.u.

**Note :**

Revenue from sale of power, is accounted for on the basis of billing to Electricity Board in Karnataka as per Tariff approved by State Electricity Regulatory Commission in accordance with the provisions of the Long Term Power Purchase Agreement executed in this respect.

**NOTE 20  
OTHER INCOME**

Particulars	Year ended	
	31st March, 2018	31st March, 2017
Liability & Provision no longer required written back	22,616	19,561
Insurance Claim Received	42,95,909	162
Interest Income on Financial assets at amortised cost	4,76,86,049	3,87,65,137
Fair value adjustment for prepayment of loan	16,61,317	13,95,007
Miscellaneous income	5,06,877	2
	<u>5,41,72,768</u>	<u>4,01,79,870</u>



**NOTE 21**  
**COST OF MATERIALS CONSUMED**

Particulars	Amount in ₹	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Cost of Material Consumed	75,20,560	2,88,38,274
	<u>75,20,560</u>	<u>2,88,38,274</u>

**NOTE 22**  
**PURCHASE OF STOCK-IN-TRADE**

Particulars	Year ended	
	31st March, 2018	31st March, 2017
Purchase of Stock-In-Trade [Refer Note below]	23,44,10,436	82,04,81,291
	<u>23,44,10,436</u>	<u>82,04,81,291</u>

**Note :**

Tin Metals (Imported)	-	26,45,57,931
Solar Photovoltaic Module (Indigneous)	23,44,10,436	55,59,23,360
	<u>23,44,10,436</u>	<u>82,04,81,291</u>

**NOTE 23**  
**CHANGES IN INVENTORIES OF FINISHED GOODS,  
WORK-IN-PROGRESS AND STOCK-IN-TRADE**

Particulars	Year ended	
	31st March, 2018	31st March, 2017
Opening stock of Contract Work-in-Progress	91,97,042	94,57,791
Less : Closing stock of Contract Work-in-Progress	1,06,72,462	91,97,042
<b>(Increase)/ Decrease in Inventory</b>	<u>(14,75,420)</u>	<u>2,60,749</u>

**NOTE 24**  
**EMPLOYEE BENEFITS EXPENSES**

Particulars	Year ended	
	31st March, 2018	31st March, 2017
Salaries & Wages	3,26,67,736	2,70,22,117
Contribution to Provident and other Funds	22,13,053	11,95,132
Staff welfare expenses	16,21,327	20,30,353
	<u>3,65,02,116</u>	<u>3,02,47,602</u>

As per Indian Accounting Standard 19 "Employee Benefits" the disclosure of Employee Benefits as defined in the Standards are given below:

**A) Defined Contribution Scheme :**

Contribution to defined contribution schemes, recognised for the year are as under :

Particulars	31st March, 2018		31st March, 2017	
Employer's contribution to Provident Fund	1,38,912		1,47,360	
Employer's contribution to Pension Fund	3,14,903		3,34,065	
<b>Total</b>	<u>4,53,815</u>		<u>4,81,425</u>	

**B) 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 obligations is determined based on actuarial valuation using projected unit credit method which recognises each period of services 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 recognised in the same manner as Gratuity.

Particulars	Amount in ₹		
	31st March, 2018	31st March, 2017	1st April, 2016
<b>i) Change in the fair value of the defined benefit obligation :</b>			
<b>Gratuity (Funded)</b>			
Liability at the beginning of the year	64,67,000	55,40,000	57,70,000
Interest Cost	4,53,000	4,38,000	4,50,000
Current Service Cost	5,20,000	6,47,000	4,94,000
Past Service Cost	12,92,000	–	–
Acquisition Adjustment	–	–	(9,12,000)
Actuarial (gain) / loss on obligations	(4,46,000)	(1,58,000)	(2,62,000)
Benefits paid	(3,55,000)	–	–
<b>Liability at the end of the year</b>	<b>79,31,000</b>	<b>64,67,000</b>	<b>55,40,000</b>
<b>Leave Encashment (Unfunded)</b>			
Liability at the beginning of the year	36,53,000	29,91,000	28,18,000
Interest Cost	2,61,000	2,34,000	2,14,000
Current Service Cost	2,34,000	3,69,000	3,03,000
Acquisition Adjustment	–	–	1,59,000
Actuarial (gain) / loss on obligations	(2,41,000)	1,22,000	(3,46,000)
Benefits paid	(57,000)	(63,000)	(1,57,000)
<b>Liability at the end of the year</b>	<b>38,50,000</b>	<b>36,53,000</b>	<b>29,91,000</b>
<b>ii) Changes in the Fair Value of Plan Asset</b>			
<b>Gratuity (Funded)</b>			
Fair value of Plan Assets at the beginning of the year	67,93,000	45,20,000	39,50,000
Interest Income	4,78,000	3,57,000	3,49,000
Acquisition Adjustment	–	18,00,000	(7,80,000)
Contributions by the Company	–	–	10,43,000
Benefits paid	(3,55,000)	–	–
Actuarial gain / (loss) on Plan Assets	3,39,000	1,16,000	(42,000)
<b>Fair value of Plan Assets at the end of the year</b>	<b>72,55,000</b>	<b>67,93,000</b>	<b>45,20,000</b>
<b>iii) Amount Recognized in Balance Sheet</b>			
<b>Gratuity (Funded)</b>			
Liability at the end of the year	79,31,000	64,67,000	55,40,000
Fair value of Plan Assets at the end of the year	72,55,000	67,93,000	45,20,000
<b>Liability/(Assets) recognised in the Balance Sheet</b>	<b>6,76,000</b>	<b>(3,26,000)</b>	<b>10,20,000</b>
<b>Leave Encashment (Unfunded)</b>			
Liability at the end of the year	38,50,000	36,53,000	29,91,000
Fair value of Plan Assets at the end of the year	–	–	–
<b>Liability/(Assets) recognised in the Balance Sheet</b>	<b>38,50,000</b>	<b>36,53,000</b>	<b>29,91,000</b>





Particulars	Amount in ₹		
	31st March, 2018	31st March, 2017	
<b>iv) Components of Defined Benefit Cost</b>			
<b>Gratuity (Funded)</b>			
Current Service Cost	5,20,000	6,47,000	
Past Service Cost	12,92,000	-	
Interest Cost	4,53,000	4,38,000	
Interest Income on Plan Asset	(4,78,000)	(3,57,000)	
Net Actuarial (gain) / loss on remeasurement recognised in OCI	(7,85,000)	(2,74,000)	
Total Defined Benefit Cost recognised in Profit and Loss and OCI	<u>10,02,000</u>	<u>4,54,000</u>	
<b>Leave Encashment (Unfunded)</b>			
Current Service Cost	2,34,000	3,69,000	
Interest Cost	2,61,000	2,34,000	
Interest Income on Plan Asset	-	-	
Net Actuarial (gain) / loss on remeasurement recognised in OCI	(2,41,000)	1,22,000	
Total Defined Benefit Cost recognised in Profit and Loss and OCI	<u>2,54,000</u>	<u>7,25,000</u>	
	<b>31st March, 2018</b>	<b>31st March, 2017</b>	<b>1st April, 2016</b>
<b>v) Balance Sheet Reconciliation</b>			
<b>Gratuity (Funded)</b>			
Opening Net Liability	(3,26,000)	10,20,000	18,20,000
Expenses as above	10,02,000	4,54,000	3,75,000
Acquisition Adjustment	-	(18,00,000)	(1,32,000)
Employers Contribution	-	-	(10,43,000)
Amount Recognized in Balance Sheet	<u>6,76,000</u>	<u>(3,26,000)</u>	<u>10,20,000</u>
<b>Leave Encashment (Unfunded)</b>			
Opening Net Liability	36,53,000	29,91,000	28,18,000
Expenses as above	2,54,000	7,25,000	1,71,000
Acquisition Adjustment	-	-	1,59,000
Benefits Paid	(57,000)	(63,000)	(1,57,000)
Employers Contribution	-	-	-
Amount Recognized in Balance Sheet	<u>38,50,000</u>	<u>36,53,000</u>	<u>29,91,000</u>
<b>vi) Principal Actuarial assumptions as at the Balance Sheet date</b>			
Discount Rate	7.60%	7.20%	7.90%
Salary Increase	7%	7%	10%
Mortality Rate	IALM (2006-2008) Ult	IALM (2006-2008) Ult	IALM (2006-2008) (Modified)
Retirement Age (years)	60	60	60
Rate of Return on Plan Assets	9%	9%	9%



		Amount in ₹		
Particulars	31st March, 2018	31st March, 2017		
<b>vii) Recognised in Other Comprehensive Income:</b>				
<b>Gratuity (Funded)</b>				
Actuarial gain/(loss) arising from :				
– Change in Financial Assumptions	(2,24,000)	(11,86,000)		
– Change in Experience Adjustments	(2,22,000)	10,28,000		
Return on Plan Assets (greater)/less than discount Rate	(3,39,000)	(1,16,000)		
Actuarial gain/(loss) recognised in Other Comprehensive Income	<u>(7,85,000)</u>	<u>(2,74,000)</u>		
<b>Particulars</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>	<b>1st April, 2016</b>	
<b>Gratuity (Funded)</b>				
Current Liability (within 12 months)				
Non- Current Liability	–	–	–	
	6,76,000	(3,26,000)	10,20,000	
<b>Leave Encashment (Unfunded)</b>				
Current Liability (within 12 months)	16,34,000	16,35,000	7,35,000	
Non- Current Liability	22,16,000	20,18,000	22,56,000	
<b>Particulars</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>		
<b>Sensitivity analysis</b>				
<b>Gratuity (Funded)</b>				
<b>For the year ended :</b>				
Discount Rate				
+1%	(5,00,000)	(4,65,000)		
-1%	5,91,000	5,53,000		
Salary Growth Rate				
+1%	5,48,000	4,98,000		
-1%	(5,07,000)	(4,26,000)		
<b>Leave Encashment (Unfunded)</b>				
<b>For the year ended:</b>				
Discount Rate				
+1%	(2,35,000)	(2,25,000)		
-1%	2,83,000	2,75,000		
Salary Growth Rate				
+1%	2,82,000	2,70,000		
-1%	(2,38,000)	(2,28,000)		

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.



Particulars	Amount in ₹		
	31st March, 2018	31st March, 2017	
<b>Estimate of expected benefit payments (In absolute terms i.e. undiscounted)</b>			
<b>Gratuity (Funded)</b>			
Within 1 year	29,24,000	19,19,000	
1-2 year	6,23,000	4,000	
2-3 year	4,33,000	5,000	
3-4 year	55,000	6,000	
4-5 year	1,96,000	8,000	
5-10 years	28,89,000	74,000	
<b>Leave Encashment (Unfunded)</b>			
Within 1 year	16,95,000	16,93,000	
1-2 year	2,50,000	45,000	
2-3 year	1,67,000	2,51,000	
3-4 year	22,000	1,73,000	
4-5 year	59,000	19,000	
5-10 years	8,82,000	8,95,000	
<b>Estimate of expected employer contribution</b>			
<b>Gratuity (Funded)</b>			
Within 1 year	6,33,000	N/A	
<b>Leave Encashment (Unfunded)</b>			
Within 1 year	N/A	N/A	
<b>Particulars</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>	<b>31st March, 2017</b>
<b>Weighted average duration of defined benefit obligation</b>			
<b>Gratuity (Funded)</b>			
Duration (in years)	8	12	
<b>Leave Encashment (Unfunded)</b>			
Duration (in years)	8	12	
<b>Particulars</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>	<b>1st April, 2016</b>
Average no of people employed	41	44	43

**Notes: (As certified by Independent Actuary)**

- 1 Assumptions relating 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, seniority, promotion, market growth and other factors as applicable to the period over which the obligation is expected to be settled.
- 2 The expected return on Plan assets is based on market expectation at the beginning of the year. The rate of return on long term Government Bonds is taken as reference for this purpose.
- 3 In respect of Funded Gratuity, the funds are managed by the insurer and therefore the percentage or amount that each major category constitutes the fair value of total plan assets and effect thereof on overall expected rate of return on asset is not ascertainable.
- 4 Acquisition adjustment represents amount in respect of certain employees transferred into/ transferred from the company.



Amount in ₹

**NOTE 25  
FINANCE COSTS**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest Expenses		
On Cash Credit	1,11,73,215	1,06,75,345
On Other Borrowings	1,26,58,767	58,67,639
On Others	34,42,458	34,82,047
	<u>2,72,74,440</u>	<u>2,00,25,031</u>
Other Borrowing Costs	36,14,959	46,51,010
	<u>3,08,89,399</u>	<u>2,46,76,041</u>

**NOTE 26  
DEPRECIATION AND AMORTISATION**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Depreciation of Property Plant and Equipment [Refer Note 5A]	2,88,38,795	3,01,68,825
Amortisation of Intangible Asset [Refer Note 5B]	1,36,186	1,70,104
	<u>2,89,74,981</u>	<u>3,03,38,929</u>

**NOTE 27  
OTHER EXPENSES**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Payment to Auditors (excluding Service Tax/GST)		
- As Auditors	2,50,000	2,50,000
- For Taxation matters	1,60,000	1,60,000
- Other Services	1,45,000	3,30,000
Cost of Power Purchased	13,40,035	22,06,009
Stores and Spares consumed	3,18,018	16,86,353
Discount & Rebate	18,23,294	14,09,401
Rent (Refer Note 32)	69,72,600	1,02,07,850
Repairs & Maintenance :		-
- Plant & Machinery	88,93,505	1,09,97,499
- Others	-	42,65,925
Rates & Taxes	45,27,738	1,62,45,585
Travelling & Conveyance Expenses	36,13,625	40,24,069
Insurance	9,01,198	9,83,066
Legal & Professional charges	53,86,471	50,66,371
Security Services.	20,90,830	16,22,606
Telephone, Fax, Postal etc.	10,99,423	16,62,727
Impairment in value of long-term Investments	-	16,18,000
Loss on fair valuation of Financial Instruments	16,31,681	27,82,096
Financial Assets written off	3,43,70,015	2,75,79,749
Contract, Consultancy & Service charges	2,05,97,483	3,55,49,610
Miscellaneous Expenses [Refer (i) below]	1,03,22,454	1,08,33,893
	<u>10,44,43,371</u>	<u>13,94,80,809</u>

(i) Miscellaneous Expenses includes Net (Gain) / Loss on foreign currency transactions of 767,536/- (Previous Year : (-) ₹ 643,759 /-)



Amount in ₹

**NOTE 28**  
**EXCEPTIONAL ITEMS**

Exceptional items represents profit on investments sold during the previous period/ year.

**NOTE 29**  
**TAX EXPENSE**

The major components of tax expense for the years ended March 31, 2018 and March 31, 2017 are as under :

**A Income tax recognised in Statement of Profit and Loss**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Income Tax Expense:</b>		
Current year tax	93,92,386	1,33,00,000
<b>Deferred Tax :</b>		
Deferred Tax Expense	(80,71,212)	44,50,323
<b>Total Income Tax Expense</b>	<b>13,21,174</b>	<b>1,77,50,323</b>

**B The reconciliation of tax expense and the accounting profit multiplied by tax rate :**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Profit before tax</b>	<b>1,51,97,438</b>	<b>5,18,82,344</b>
Applicable Tax Rate	33.06%	33.06%
<b>Income tax expense calculated as per Applicable tax rate</b>	<b>50,24,729</b>	<b>1,71,53,859</b>
80IA Deduction	(32,12,020)	(48,04,491)
Effect of expenses that are not deductible in determining taxable profit	-	37,06,354
Effect of other adjustments	(4,91,535)	16,94,601
<b>Income tax Expense recognised in Statement of Profit and Loss</b>	<b>13,21,174</b>	<b>1,77,50,323</b>

**C Income tax recognised in other comprehensive income**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Deferred tax charge on</b>		
Remeasurement of gains of defined benefit obligation	2,39,707	74,392
<b>Income tax recognised in other comprehensive income</b>	<b>2,39,707</b>	<b>74,392</b>

**Bifurcation of the income tax recognised in Other Comprehensive Income into:**

Items that will be reclassified to profit or loss	-	-
Items that will not be reclassified to profit or loss	2,39,707	74,392

**D Components of Other Comprehensive Income**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Items that will not be reclassified to Statement of profit or loss</b>		
Remeasurement of gains of defined benefit obligation (net of tax)	4,85,293	1,50,608
	<b>4,85,293</b>	<b>1,50,608</b>



Amount in ₹

### NOTE 30

#### CONTINGENT LIABILITIES AND COMMITMENTS (To the extent not provided for)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Contingent Liabilities</b>			
a) Claims against the company not acknowledged as debts			
i) Income Tax matters under disputes and pending in appeal	6,50,47,909	6,03,40,939	3,66,96,131
ii) Sales Tax matters under disputes and pending in appeal	22,52,013	22,52,013	1,44,33,700
iii) Service Tax matters under disputes and pending in appeal	15,41,477	15,41,477	–
<p>The Company's pending litigation comprise of proceedings with income tax, sales tax and service tax authorities. The company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The company does not expect the outcome of these proceedings to have material impact on its financial position. Future cash outflows if any in respect of (i) to (iii) above are dependent upon the outcome of the decision/judgements.</p>			
b) Bank guarantees given			
i) The Company has given guarantee in respect of loan taken by one of it's subsidiaries.			
- Outstanding loan balance	90,39,34,500	90,24,99,878	90,24,99,878
ii) Bank guarantee	5,85,00,000	6,32,70,000	8,79,27,677
<b>Commitments</b>			
a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	–	–	5,51,36,888





## NOTE 31

### RELATED PARTY DISCLOSURES PURSUANT TO INDIAN ACCOUNTING STANDARD - 24

<b>(A)</b>	<b>Key Management Personnel and their relative</b>
	Sanjiv Saraf (Executive Director)
	Indira Saraf (Wife of the Executive Director)
	Amar Singh (Promotor & Non-Executive Director)
	Pankaja Kumari Singh (Promotor & Non-Executive Director)
	Sanjay Kumar Gupta (Non-Executive Director) (ceased from 15th March,2018)
	Gouri Prasad Goenka (Independent Non-Executive Director)
	Tarun Chaturdevi (Independent Non-Executive Director) (Ceased from 30th January, 2018)
	Vijoy Kumar (Independent Non-Executive Director)
	Anil Gupta (Independent Non-Executive Director)
	Bijay Kumar Garodia (Independent Non-Executive Director)
	Chanakya Arvind Danda (Non-Executive Director) (Ceased from 8th February, 2017)
	Amit Damani (Chief Financial Officer) (Ceased from 15th March, 2018)
	Vijayshree Binnani (Company Secretary)
<b>(B)</b>	<b>Subsidiary Companies</b>
	1 Ayyappa Hydro Power Limited
	2 EDCL Power Projects Limited
	3 Eastern Ramganga Valley Hydel Projects Company Private Limited
	4 Sarju Valley Hydel Projects Company Private Limited
	5 EDCL Arunachal Hydro Projects Private Limited (w.e.f 1st October, 2016)
	6 Arunachal Hydro Power Limited (till 27th March, 2017)
<b>(C)</b>	<b>Associate Companies</b>
	1 Arunachal Hydro Power Limited (w.e.f 28th March, 2017)
	<b>Subsidiaries of Arunachal Hydro Power Limited :</b>
	(i) EDCL Seppa Beyong Hydro Electric Private Limited
	(ii) EDCL Seppa Dunkho Hydro Electric Private Limited
	(iii) EDCL Seppa Jung Power Private Limited
	(iv) EDCL Seppa Kawa Power Private Limited
	(v) EDCL Seppa Lada Hydro Electric Private Limited
	(vi) EDCL Seppa Marjingla Hydro Electric Private Limited
	(vii) EDCL Seppa Nire Hydro Electric Private Limited
	(viii) EDCL Seppa Pachuk Power Private Limited
	(ix) EDCL Seppa Rieng Power Private Limited
	(x) EDCL Tawang Lower Tsachu Hydro Electric Private Limited
	(xi) EDCL Tawang Power Private Limited
	(xii) EDCL Tawang Upper Tsachu Hydro Electric Private Limited
	(xiii) EDCL Arunachal Hydro Projects Private Limited (till 30th September, 2016)



<b>(D) Individuals having significant influence directly or indirectly (Promoter and their relatives)</b>	
	Amar Singh (Non Executive Chairman )
	Pankaja Kumari Singh (Wife of the Non Executive Chairman)
<b>(E) Enterprises over which individuals mentioned in (C ) above exercises significant influence</b>	
1	Startrack Vinimay Private Limited
2	Sarvottam Caps Private Limited

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

	Particulars	2017-18 ( ₹ )	2016-17 ( ₹ )
<b>i) Remuneration :</b>			
	– Sanjiv Saraf	48,20,000	48,20,000
	– Amit Damani	9,79,369	9,00,000
	– Vijayshree Binnani	6,23,000	3,53,308
<b>ii) Rent Paid</b>			
	– Indira Saraf	10,54,200	10,54,200
<b>iii) Sitting Fees</b>			
	– Gouri Prasad Goenka	40,000	40,000
	– Anil Gupta	80,000	70,000
	– Bijay Kumar Garodia	40,000	20,000
	– Tarun Chaturvedi	–	1,40,000
	– Chanakya Arvind Dhanda	–	40,000
	– Vijoy Kumar	2,20,000	1,50,000
	– Sanjay Kumar Gupta	1,70,000	1,80,000

<b>Balances as at the year end :</b>		31.03.2018	31.03.2017	01.04.2016
<b>i) Trade Payable</b>				
	– Indira Saraf	–	92,243	–
	– Amit Damani	86,900	25,400	–

**Note :** Post employment benefit has not been disclosed separately as the same is not ascertainable.

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

**(i) Investments in Equity shares of Subsidiaries / Associate :**

**Amount in ₹**

Name of the Company	Transactions during the year		Outstanding Balances as at the year end		
	Investments made		31.03.2018	31.03.2017	01.04.2016
	2017-18	2016-17			
1 AYYAPPA HYDRO POWER LIMITED	–	–	30,00,00,000	30,00,00,000	30,00,00,000
2 EDCL POWER PROJECTS LIMITED	–	–	4,00,00,000	4,00,00,000	4,00,00,000
3 EASTERN RAMGANGA VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED	–	–	51,000	51,000	1,00,000
4 SARJU VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED	–	–	51,000	51,000	1,00,000
5 EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED	–	–	1,01,00,000	1,01,00,000	1,00,000
6 ARUNACHAL HYDRO POWER LIMITED	–	–	3,55,20,000	3,55,20,000	14,80,00,000
<b>Total :</b>	–	–	<b>38,57,22,000</b>	<b>38,57,22,000</b>	<b>48,83,00,000</b>



(ii) Investments in Preference Shares of subsidiaries / Associate :

Amount in ₹

Name of the Company	Transactions during the year				Outstanding Balances as at the year end		
	Investments made		Investments sold		31.03.2018	31.03.2017	01.04.2016
	2017-18	2016-17	2017-18	2016-17			
1 AYYAPPA HYDRO POWER LIMITED	-	-	-	-	22,00,00,000	22,00,00,000	22,00,00,000
2 EASTERN RAMGANGA VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED	-	-	-	-	3,81,88,800	3,81,88,800	15,91,20,000
3 SARJU VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED	-	-	-	-	2,33,37,600	2,33,37,600	9,72,40,000
4 ARUNACHAL HYDRO POWER LIMITED	-	-	-	-	7,92,00,000	7,92,00,000	-
5 EDCL SEPPA BEYONG HYDRO ELECTRIC PRIVATE LIMITED	-	-	1,65,07,200	-	52,12,800	2,17,20,000	2,17,20,000
6 EDCL SEPPA DUNKHO HYDRO ELECTRIC PRIVATE LIMITED	-	-	1,65,07,200	-	52,12,800	2,17,20,000	2,17,20,000
7 EDCL SEPPA JUNG POWER PRIVATE LIMITED	-	-	1,65,07,200	-	52,12,800	2,17,20,000	2,17,20,000
8 EDCL SEPPA KAWA POWER PRIVATE LIMITED	-	-	1,65,07,200	-	52,12,800	2,17,20,000	2,17,20,000
9 EDCL SEPPA LADA HYDRO ELECTRIC PRIVATE LIMITED	-	-	1,65,07,200	-	52,12,800	2,17,20,000	2,17,20,000
10 EDCL SEPPA MARJINGLA HYDRO ELECTRIC PRIVATE LIMITED	-	-	1,65,07,200	-	52,12,800	2,17,20,000	2,17,20,000
11 EDCL SEPPA NIRE HYDRO ELECTRIC PRIVATE LIMITED	-	-	82,62,240	-	26,09,129	1,08,71,369	1,08,71,369
12 EDCL SEPPA PACHUK POWER PRIVATE LIMITED	-	-	1,65,07,200	-	52,12,800	2,17,20,000	2,17,20,000
13 EDCL SEPPA RIANG POWER PRIVATE LIMITED	-	-	1,44,27,360	-	45,56,008	1,89,83,368	1,89,83,368
<b>Total :</b>	-	-	13,82,40,000	-	40,43,81,137	54,26,21,137	65,82,54,737

- (a) Purchase/Sale of Shares of the subsidiaries/ associate with other parties has been adjusted in outstanding balances as at the year end.
- (b) Sale of preference shares with respect to parties referred in 5-13 above have been to a related party of the Company.



(Amount in ₹)

(iii) Loans given to subsidiaries / associate :

Name of the Company	Transactions during the year										Outstanding Balances as at the year end		
	Loans Given		Proceeds from Repayment of Loans		Interest Income		Modification Gain Loss		Loans				
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	31.03.2018	31.03.2017	1.04.2016		
1 AYYAPPA HYDRO POWER LIMITED	4,81,82,178	4,63,86,363	1,08,50,216	3,04,21,277	3,11,13,328	2,43,68,238	99,784	11,60,723	30,86,82,096	24,02,36,807	19,99,03,483		
2 EDCL POWER PROJECTS LIMITED	2,88,29,705	1,61,09,993	2,03,42,392	1,13,98,009	26,13,565	16,92,535	3,87,608	2,26,991	2,92,67,566	1,81,66,688	1,17,62,169		
3 EASTERN RAMGANGA VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED	-	7,98,573	-	1,79,506	6,25,476	5,36,087	-	2,165	58,37,777	52,12,301	40,57,147		
4 SARJU VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED	-	5,29,313	-	2,43,778	2,58,867	2,23,923	-	5,128	24,16,097	21,57,229	16,47,771		
5 EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED	2,15,841	38,761	-	-	1,55,730	1,29,234	-	-	16,07,236	12,35,666	10,67,670		
6 ARUNACHAL HYDRO POWER LIMITED	-	46,43,508	88,26,075	19,35,245	65,88,561	57,17,162	11,73,925	-	5,26,67,161	5,49,04,675	4,64,79,250		
<b>Total :</b>	<b>7,72,27,723</b>	<b>6,85,06,511</b>	<b>4,00,18,683</b>	<b>4,41,77,815</b>	<b>4,13,55,528</b>	<b>3,26,67,179</b>	<b>16,61,317</b>	<b>13,95,007</b>	<b>40,04,77,934</b>	<b>32,19,13,366</b>	<b>26,49,17,491</b>		

The loan is Interest free and unsecured. It has been fair valued and the same has been presented in balance sheet with a corresponding deemed investment in equity. Early repayments resulting in modification gain/(loss) have been adjusted with repayments as given in the schedule above.



**Deemed Equity**

Amount in ₹

Particulars	Transactions during the year				Outstanding Balances		
	Addition		Charge off		Other Receivables		
	2017-18	2016-17	2017-18	2016-17	31.03.2018	31.03.2017	1.04.2016
AYYAPPA HYDRO POWER LIMITED	3,12,13,112	12,89,957	3,12,13,112	2,55,28,961	3,70,26,642	6,11,17,111	8,09,46,518
EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED	13,29,655	16,92,535	1,55,730	1,29,234	1,92,764	3,14,334	4,32,330
EDCL POWER PROJECTS LIMITED	30,01,174	2,45,95,229	30,01,173	19,19,526	34,92,435	46,23,312	47,62,831

**(iv) Payment of expenses on behalf of Subsidiaries / Associate :**

(Amount in ₹)

Name of the Company	Transactions during the year				Outstanding Balances as at the year end		
	Expenses incurred on behalf		Amount Recovered		Other Receivables		
	2017-18	2016-17	2017-18	2016-17	31.03.2018	31.03.2017	1.04.2016
1 AYYAPPA HYDRO POWER LIMITED	9,41,501	21,81,935	9,41,828	21,71,977	9,631	9,958	-
2 EDCL POWER PROJECTS LIMITED	13,69,196	19,33,816	13,71,205	19,22,378	9,429	11,438	-
3 EASTERN RAMGANGA VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED	47,000	20,677	-	20,633	47,044	44	-
4 SARJU VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED	-	10,448	-	10,404	44	44	-
5 EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED	89	176	265	-	-	176	-
6 ARUNACHAL HYDRO POWER LIMITED	-	230	-	142	-	-	-
7 EDCL SEPPA BEYONG HYDRO ELECTRIC PRIVATE LIMITED	-	15,314	-	15,226	88	88	-
8 EDCL SEPPA DUNKHO HYDRO ELECTRIC PRIVATE LIMITED	-	75,966	-	75,878	88	88	-
9 EDCL SEPPA JUNG POWER PRIVATE LIMITED	-	7,658	-	7,570	88	88	-
10 EDCL SEPPA KAWA POWER PRIVATE LIMITED	-	62,480	-	62,392	88	88	-
11 EDCL SEPPA LADA HYDRO ELECTRIC PRIVATE LIMITED	-	14,205	-	14,117	88	88	-
12 EDCL SEPPA MARJINGLA HYDRO ELECTRIC PRIVATE LIMITED	-	1,35,407	-	1,35,319	88	88	-
13 EDCL SEPPA NIRE HYDRO ELECTRIC PRIVATE LIMITED	-	4,852	-	4,764	88	88	-
14 EDCL SEPPA PACHUK POWER PRIVATE LIMITED	-	14,44,761	-	14,44,585	176	176	-
15 EDCL SEPPA RIANG POWER PRIVATE LIMITED	-	4,852	-	4,764	88	88	-
16 EDCL TAWANG LOWER TSACHU HYDRO ELECTRIC PRIVATE LIMITED	-	2,12,551	-	2,12,375	176	176	-
17 EDCL TAWANG POWER PRIVATE LIMITED	-	9,32,587	-	9,32,411	176	176	-
18 EDCL TAWANG UPPER TSACHU HYDRO ELECTRIC PRIVATE LIMITED	-	7,658	-	7,570	88	88	-
<b>Total :</b>	<b>23,57,786</b>	<b>70,65,573</b>	<b>23,13,298</b>	<b>70,42,505</b>	<b>67,468</b>	<b>22,980</b>	<b>-</b>

**(v) Payment of expenses by subsidiary on behalf of the company :**

(Amount in ₹)

Subsidiary Company	Transactions during the year				Outstanding Balances as at the year end		
	Expenses incurred		Expenses Reimbursed		Other Payables		
	2017-18	2016-17	2017-18	2016-17	31.03.2018	31.03.2017	01.04.2016
1 EDCL POWER PROJECTS LIMITED	65,254	-	49,974	-	15,280	-	-
<b>Total :</b>	<b>65,254</b>	<b>-</b>	<b>49,974</b>	<b>-</b>	<b>15,280</b>	<b>-</b>	<b>-</b>



**(vi) Net Provision (Liability - Assets) for Employee Retirement Benefits transferred (to) / from the party : (Amount in ₹)**

Name of the Company	Transactions during the year				Outstanding Balances as at the year end						
	Gratuity		Leave Encashment		Other Receivables			Payables			
	2017-18	2016-17	2017-18	2016-17	31.03.2018	31.03.2017	01.04.2016	31.03.2018	31.03.2017	01.04.2016	
1	AYYAPPA HYDRO POWER LIMITED	-	69,000	-	5,41,000	-	-	6,94,000	-	-	84,000
2	EASTERN RAMGANGA VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED	-	3,000	-	46,000	-	-	49,000	-	-	-
3	EDCL SEPPA PACHUK POWER PRIVATE LIMITED	-	5,000	-	11,000	-	-	16,000	-	-	-
4	EDCL TAWANG POWER PRIVATE LIMITED	-	(1,30,000)	-	(4,40,000)	-	-	(1,30,000)	-	-	4,40,000
	<b>Total :</b>	-	<b>(53,000)</b>	-	<b>1,58,000</b>	-	-	<b>6,29,000</b>	-	-	<b>5,24,000</b>

**(vii) Purchase of Investments from the Associate : (Amount in ₹)**

Name of the Company	Transactions during the year		Outstanding Balances as at the year end			
	Investment in Equity shares		31.03.2018	31.03.2017	01.04.2016	
	2017-18	2016-17				
1	Arunachal Hydro Power Limited	(1,00,00,000)	1,00,00,000	-	1,00,00,000	-

**(viii) Guarantee given to banks on behalf of subsidiary : (Amount in ₹)**

		31-03-2018	31-03-2017	01-04-2016
1	AYYAPPA HYDRO POWER LIMITED ( for business purpose) Outstanding balance of such loan	<b>90,39,34,500</b>	90,24,99,878	90,24,99,878

**The aggregate amount of transactions with the related parties as mentioned in (C) above is as below : (Amount in ₹)**

Particulars	2017-18 (₹)	2016-17 (₹)
<b>Transactions during the year :</b>		
<b>(i) Meeting Fees</b>		
- Amar Singh	<b>80,000</b>	80,000
- Pankaja Kumari Singh	<b>80,000</b>	60,000





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

Particulars	2017-18 (₹)	2016-17 (₹)
<b>Transactions during the year :</b>		
<b>(i) Unsecured Loan received</b>		
– Startrack Vinimay Private Limited	1,50,00,000	–
– Sarvottam Caps Private Limited	4,00,00,000	3,49,50,000
<b>(ii) Interest Expenses</b>		
– Startrack Vinimay Private Limited	33,78,082	18,00,000
– Sarvottam Caps Private Limited	84,02,219	20,50,488
<b>(iii) Purchase of Investments in Subsidiaries / Associates</b>		
– Startrack Vinimay Private Limited	–	14,51,33,780
– Sarvottam Caps Private Limited	–	18,48,66,220
<b>(iv) Sale of Investment (Refer Note (c) below)</b>		
– Startrack Vinimay Private Limited	–	5,88,00,000
<b>(v) Expenses incurred by the company on behalf of the party</b>		
– Startrack Vinimay Private Limited	29,352	11,985
– Sarvottam Caps Private Limited	10,911	11,667
<b>(vi) Expenses Reimbursed to the company</b>		
– Startrack Vinimay Private Limited	31,108	60,342
– Sarvottam Caps Private Limited	12,349	35,759

Particulars	31.03.18 (₹)	31.03.17 (₹)	01.04.16 (₹)
<b>Balances as at the year end :</b>			
<b>(i) Unsecured Loans</b>			
– Startrack Vinimay Private Limited	3,00,00,000	1,50,00,000	1,50,00,000
– Sarvottam Caps Private Limited	7,49,50,000	3,49,50,000	–
<b>(ii) Interest accrued and due (Payable)</b>			
– Startrack Vinimay Private Limited	54,54,740	24,14,466	7,94,466
– Sarvottam Caps Private Limited	94,07,436	18,45,439	–
<b>(iii) Payable towards purchase of Investments</b>			
– Startrack Vinimay Private Limited	21,50,15,149	22,50,15,149	19,86,81,369
– Sarvottam Caps Private Limited	18,48,66,220	18,48,66,220	–
<b>(iv) Advance (Reimbursable Expenses)</b>			
– Startrack Vinimay Private Limited	–	1,756	50,113
– Sarvottam Caps Private Limited	–	1,438	25,530

**Notes :**

- In respect of above parties, there is no provision for doubtful debts as on 31st March 2018 and no amount has been written off or written back during the year in respect of debts due from / to them.
- The above Related Party information is as identified by the Management and relied upon by the auditors.



**NOTE 32**  
**OPERATING LEASE**

- (a) The company has entered into arrangements of lease of land which has been classified as operating leases. These lease arrangements are non-cancellable in nature. Rental expenses towards such non- cancellable operating lease charged to statement of profit and loss amounts to 3,72,100/- (Previous Year ₹ 3,72,100/-) and has been disclosed as "Rent" in Note 27 of the financial statement. (Amount in ₹)

Particulars	2017-18 (₹)	2016-17 (₹)
Within 1 year	3,72,100	3,72,100
1-5 years	16,68,400	16,68,400
more than 5 years	38,06,535	41,78,635
<b>Total</b>	<b>58,47,035</b>	<b>62,19,135</b>

- (b) The company has taken several premises under cancellable operating leases. The lease term is upto 5 years and have the option of renewal on expiry of the lease period based on mutual agreement of both the parties. Certain lease arrangements have been terminated during the year based upon mutual agreement of both the parties. Rental expenses towards cancellable operating lease charged to statement of profit and loss amounts to ₹ 65,44,200 /- (Previous year ₹ 88,66,000/-) and has been disclosed as "Rent" in Note 27 of the financial statement.
- (c) The Company has taken certain machineries under cancellable operating leases. The lease term has an option of renewal on expiry of the lease period based on the mutual agreement of both the parties. The lease arrangement has been terminated during the year based upon mutual agreement of both the parties. Rental expenses towards such cancellable operating lease charged to statement of profit and loss amounts to ₹ NIL/- (Previous Year ₹ 5,40,000 /-) and has been disclosed as "Rent" in Note 27 of the financial statement

**NOTE 33**  
**CONSTRUCTION CONTRACTS DISCLOSURES**

(Amount in ₹)

a) Particulars	2017-18 (₹)	2016-17 (₹)
i) Contract revenue recognised as revenue in the period	1,26,07,358	4,32,32,883
ii) Contract costs incurred upto the reporting date	54,89,42,875	53,01,95,695
iii) Advances received	2,69,90,635	2,69,90,635
iv) Retention money with customers	57,42,402	1,06,89,101
v) Gross amount due from customers for contract work	6,86,26,268	9,76,35,555

- b) In case of long term contracts in operation, the foreseeable losses if any are recognised based on the management's estimation of percentage of completion and cost involved thereagainst.

**NOTE 34**  
**EARNINGS PER SHARE**

(Amount in ₹)

Particulars	2017-18 (₹)	2016-17 (₹)
<b>Basic and Diluted Earnings per share has been computed as under :</b>		
Profit/(Loss) after tax for the year	1,38,76,264	3,41,32,020
Weighted Average Number of Equity Shares issued (Nos.)	4,75,00,000	4,75,00,000
Basic and Diluted Earnings per Share (Face Value ₹ 10/- per share fully paid up )	0.29	0.72



### NOTE 35

#### UNHEDGED FOREIGN CURRENCY EXPOSURE OF THE COMPANY AS AT THE YEAR END :

Particulars	Amount in foreign currency		
	31.03.18 (₹)	31.03.17 (₹)	01.04.16 (₹)
<b>Payables</b>			
– Imports			
EURO	80,784	80,784	80,784
INR	65,12,984	55,94,098	60,66,515
USD	16,660	16,660	16,660
INR	10,83,635	10,80,211	11,05,106
<b>Receivables</b>			
USD	31,726	31,726	–
INR	20,63,589	20,57,069	–

### NOTE 36

#### SEGMENT REPORTING

Segments have been identified in line with the Indian Accounting Standards AS-108 taking into account the organization structure as well as the differencing risk and return. The Company's business segment comprises of (a) Generating Division - generation and sale of bulk power to various electricity boards; (b) Contract Division - construction development, implementation, operation & maintenance of projects and consultancies and (c) Trading Division - trading of Power equipments, metals etc. These have been identified by the Chief Operating Decision Maker (CODM) on the basis of the type of their respective sales and services rendered.

Amount in ₹

Particulars	Generating Division		Contract Division		Trading Division		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>Revenue:</b>								
External sales	13,06,10,050	10,82,25,611	3,02,31,858	9,34,59,883	24,14,48,206	83,04,40,675	40,22,90,114	1,03,21,26,169
<b>Result:</b>								
Segments	8,95,45,913	5,59,39,018	(1,42,22,640)	50,78,801	11,50,224	33,57,801	7,64,73,497	6,43,75,620
Less : Interest and Finance Charges	–	–	–	–	–	–	3,08,89,399	2,46,76,041
Less : Other common expenses (net)	–	–	–	–	–	–	3,03,86,660	(1,21,82,764)
Total Profit Before Tax	–	–	–	–	–	–	1,51,97,438	5,18,82,344
Provisions For Tax	–	–	–	–	–	–	13,21,174	1,77,50,323
Profit After Tax	–	–	–	–	–	–	1,38,76,264	3,41,32,020

(Amount in ₹)

Particulars	Generating Division			Contract Division			Trading Division			Total		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Segments Assets	38,66,77,310	42,70,60,160	43,73,02,165	14,12,04,599	22,36,10,701	20,89,25,912	26,92,49,522	25,02,93,565	17,64,45,001	79,71,31,431	90,09,64,427	82,26,73,078
Unallocable Corporate Assets	–	–	–	–	–	–	–	–	–	1,87,54,58,527	2,04,05,53,912	1,67,50,54,684
<b>TOTAL</b>										2,67,25,89,961	2,94,15,18,339	2,49,77,27,762
Segments Liabilities	63,09,556	34,71,403	50,05,802	11,98,37,122	13,12,06,334	16,85,76,132	13,24,37,357	22,92,03,319	12,90,44,037	25,85,84,035	36,38,81,057	30,26,25,971
Unallocable Corporate Liabilities	–	–	–	–	–	–	–	–	–	64,05,68,192	78,99,76,167	41,31,38,364
<b>TOTAL</b>										89,91,52,227	1,15,38,57,224	71,57,64,335



(Amount in ₹)

Particulars	Generating Division		Contract Division		Trading Division		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>Capital expenditure for the segment</b>	33,000	1,91,538	19,100	-	-	-	52,100	1,91,538
Unallocable Corporate Capital Expenditure	-	-	-	-	-	-	4,51,851	97,500
<b>Total Capital Expenditure</b>							5,03,951	2,89,038
Depreciation and amortisation for the segment	2,57,72,147	2,57,89,800	17,97,506	23,89,390	-	-	2,75,69,653	2,81,79,190
Unallocable Depreciation and amortisation							14,05,328	21,59,738
<b>Total depreciation and amortisation</b>							2,89,74,981	3,03,38,929
Non cash expenditure, other than depreciation and amortisation for the segment	-	-	-	2,000	-	-	-	2,000
Unallocable non cash expenditure, other than depreciation and amortisation	-	-	-	-	-	-	-	16,18,028
<b>Total non cash expenditure, other than depreciation and amortisation</b>	-	-	-	-	-	-	-	16,20,028

- (a) Revenue and expenses have been identified to segment on the basis of their relationship to the operating activities of the segment. Revenue and expenses which relates to enterprise as a whole and not allocable to segment on a reasonable basis have been included under the head other common expenses.
- (b) As the company operates entirely in India no secondary segment has been identified for the above purpose.

**NOTE 37****FINANCIAL INSTRUMENTS****Capital Management**

The Company follows a capital management strategy. The primary objective is to ensure that Company maintains a healthy capital ratio in order to support its business operations, have sufficient financial flexibility for borrowing requirements, if any, in future and to maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders.

The company also uses gearing ratio to monitor capital. Gearing ratio is net debt divided by total capital. The gearing ratios are as follows :

**Gearing Ratio**

Amount in ₹

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Total Debt (Net of Cash & Cash equivalent)	17,82,80,269	16,50,91,776	9,06,55,932
Total Capital	47,50,00,000	47,50,00,000	47,50,00,000
<b>Gearing Ratio</b>	<b>0.38</b>	0.35	0.19

**Categories of financial instruments**

The carrying value and fair value of financial instruments are as follows :

Amount in ₹

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Financial Assets (Current and Non-Current)</b>			
<b>Measured at Amortised Cost</b>			
(i) Trade Receivables	36,77,75,845	44,39,72,126	33,30,97,447
(ii) Cash & Cash Equivalents	55,65,774	1,44,30,873	2,40,66,429
(iii) Other Bank Balances	3,53,35,815	5,76,26,131	3,99,50,663
(iv) Loans	40,09,85,222	32,22,87,466	26,54,17,894
(v) Others Financial Asset	52,17,95,023	57,91,18,820	1,95,43,237
<b>Total</b>	<b>1,33,14,57,680</b>	1,41,74,35,416	68,20,75,670



Amount in ₹

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Measured at Fair Value through Profit and Loss</b>			
(i) Investment other than investment in subsidiaries and associates	4,07,11,841	6,60,54,758	8,61,41,679
<b>Total</b>	<b>4,07,11,841</b>	<b>6,60,54,758</b>	<b>8,61,41,679</b>
<b>Financial Liabilities (Current and Non-Current)</b>			
<b>Measured at amortised Cost</b>			
(i) Borrowings	17,82,80,269	16,50,91,776	9,06,55,932
(ii) Trade Payable	20,05,12,453	30,21,98,325	24,10,36,827
(iii) Other Financial Liabilities	44,47,61,308	61,06,19,356	31,63,74,222
<b>Total</b>	<b>82,35,54,030</b>	<b>1,07,79,09,456</b>	<b>64,80,66,981</b>

The management considers that the above carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

#### Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values :

1. The fair value of cash and cash equivalents, trade receivables, trade payables, current borrowings, current financial liabilities and assets approximate their carrying amount largely due to the short-term nature of these instruments. The Management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values.
2. Long-term debts are from Body Corporate and the rate of interest are reviewed annually.

#### Fair value hierarchy

The Company categorizes assets and liabilities measured at fair value into one of three levels as mentioned in Note 3.1 depending on the ability to observe inputs employed in their measurement.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at balance sheet date : (Amount in ₹)

Financial assets	Fair value		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Financial assets - LEVEL 3</b>			
Investment in Equity Instruments (Unquoted)	2,28,542	2,28,542	2,28,542

During the year ended 31st March 2018; 31st March, 2017 and 1st April 2016, there was no transfer between Level 3 fair value measurements. Further, there is no transaction / balance for Level 1 and Level 2 categories.

Unquoted investments in shares have been valued based at cost as the latest audited financial statements were not available. There were no external unobservable inputs or assumptions used in such valuation.

#### Financial Risk Factors

The Company's activities expose it to a variety of financial risks – market risk, credit risk and liquidity risk. The Board of Directors reviews and approves policies for managing each of these risks, which are summarized below :

#### Market Risk

Market risk is the risk or uncertainty arising from possible market price movements resulting in fluctuation of the fair value of future cash flows of a financial instrument. The major components of Market risks are price risk, interest rate risk and foreign currency exchange risk.

Financial instruments affected by market risk includes borrowings.



**a. Foreign Currency Risk**

The company does not have significant transaction in foreign currency and accordingly it is not exposed to foreign currency risk. There are certain old outstanding balances which are unhedged. The details of the unhedged foreign currency exposures are given in Note No. 35. The management continuously reviews the exchange rates and are in process of settling the balances.

**b. Interest Rate Risk**

The Company's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.

Nature of Borrowing	Increase in basis points	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended April 1, 2016
Cash Credit	0.5	43,99,816	57,98,507	37,89,356
Loan from Related Parties	0.25	31,48,500	14,98,500	4,50,000
Loan from Others	0.25	-	5,55,000	3,75,000

A decrease in 0.50 basis point in Cash Credit & 0.25 basis point in Other Loans would have an equal and opposite effect on the company's financial statements.

**c. Other price risk**

The company is not exposed to any other price risk.

**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Trade Receivables of the company mainly comprises of receivables from state electricity boards and government department and hence such risk is negligible. Trade receivables in case of trading operations are from various private parties and are therefore exposed to general credit risk. The company has a policy to monitor such risk on an ongoing basis. However the Company is exposed to credit risk from its lending activities to its subsidiaries.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk.

**Financial assets that are neither past due nor impaired**

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

**Financial assets that are past due but not impaired**

Trade receivables disclosed include amounts that are past due at the end of the reporting period but against which the Company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

**Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.





(Amount in ₹)

Particulars	Less than 1 year	1 year – 3 years	More than 3 years	Total
<b>As at March 31, 2018</b>				
Interest bearing borrowings (including current maturities)	7,33,30,269	10,49,50,000	–	17,82,80,269
Payable towards Purchase of Investments	39,98,81,369	–	–	39,98,81,369
Advance against Sale of Investments	–	–	–	–
Advance against Sale of Shares	54,000	–	–	54,000
Interest Accrued and Due on borrowings	3,49,09,280	–	–	3,49,09,280
Trade Payable	20,05,12,453	–	–	20,05,12,453
Unpaid Dividend	7,42,317	–	–	7,42,317
Other Liabilities	91,74,342	–	–	91,74,342
<b>Total</b>	<b>71,86,04,030</b>	<b>10,49,50,000</b>	<b>–</b>	<b>82,35,54,030</b>
<b>As at March 31, 2017</b>				
Interest bearing borrowings (including current maturities)	9,66,41,776	6,84,50,000	–	16,50,91,776
Payable towards Purchase of Investments	42,41,81,369	–	–	42,41,81,369
Advance against Sale of Investments	16,00,00,000	–	–	16,00,00,000
Advance against Sale of Shares	54,000	–	–	54,000
Interest Accrued and Due on borrowings	2,27,17,606	–	–	2,27,17,606
Trade Payable	30,21,98,325	–	–	30,21,98,325
Unpaid Dividend	6,95,657	–	–	6,95,657
Other Liabilities	29,70,724	–	–	29,70,724
<b>Total</b>	<b>1,00,94,59,456</b>	<b>6,84,50,000</b>	<b>–</b>	<b>1,07,79,09,456</b>
<b>As at April 1, 2016</b>				
Interest bearing borrowings (including current maturities)	6,31,55,932	2,75,00,000	–	9,06,55,932
Payable towards Purchase of Investments	19,86,81,369	–	–	19,86,81,369
Advance against Sale of Investments	10,00,00,000	–	–	10,00,00,000
Interest Accrued and Due on borrowings	1,40,05,707	–	–	1,40,05,707
Trade Payable	24,10,36,827	–	–	24,10,36,827
Unpaid Dividend	7,20,663	–	–	7,20,663
Other Liabilities	29,66,483	–	–	29,66,483
<b>Total</b>	<b>62,05,66,981</b>	<b>2,75,00,000</b>	<b>–</b>	<b>64,80,66,981</b>

#### Unused Line of Credit

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Cash Credit</b>	<b>2,66,69,731</b>	<b>33,58,224</b>	<b>3,68,44,068</b>

The company has current financial assets which will be realised in ordinary course of business and unused line of credits as given above. The Company monitors its rolling forecast of its liquidity requirements to ensure it has sufficient cash to meet expected operational requirements.

The company relies on mix of borrowings and operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.



(Amount in ₹)

**NOTE 38**

**FIRST TIME ADOPTION OF Ind AS- Disclosures, Reconciliation etc.**

**a) Reconciliation in terms of Ind AS 101 "First time adoption of Indian Accounting Standards"**

**I) Reconciliation of Equity as at 31st March, 2017 and 1st April, 2016**

Particulars	Note No. 38(c)	As at 31st March, 2017			As at 1st April, 2016		
		As per Previous GAAP	Effect of Transition to Ind AS	As per Ind AS	As per Previous GAAP	Effect of Transition to Ind AS	As per Ind AS
<b>ASSETS</b>							
<b>(1) Non Current Assets</b>							
(a) Property, Plant and Equipment	i	41,81,63,006	(19,79,260)	41,61,83,746	44,82,22,793	(21,59,260)	44,60,63,533
(b) Other Intangible Assets		4,06,720	-	4,06,720	5,76,824	-	5,76,824
<b>(c) Financial Assets</b>							
(i) Investment	iii	92,69,53,679	6,60,54,758	99,30,08,437	1,14,67,83,277	8,61,41,681	1,23,29,24,958
(ii) Loans	iii	40,39,54,897	(8,18,96,731)	32,20,58,166	37,24,90,801	(10,72,72,510)	26,52,18,291
(iii) Other Financial Assets	iii	1,82,70,487	(43,52,812)	1,39,17,675	1,74,95,559	(54,98,760)	1,19,96,799
(d) Non current Tax Assets (net)		4,37,27,777	-	4,37,27,777	5,48,80,250	-	5,48,80,250
(e) Deferred Tax Assets (net)	vi	3,00,12,264	46,58,642	3,46,70,906	3,22,50,796	69,44,826	3,91,95,622
(f) Other Non Current Assets	iii	3,26,000	59,33,370	62,59,370	-	74,78,021	74,78,021
		<b>1,84,18,14,830</b>	<b>(1,15,82,033)</b>	<b>1,83,02,32,797</b>	<b>2,07,27,00,300</b>	<b>(1,43,66,002)</b>	<b>2,05,83,34,298</b>
<b>(2) Current Assets</b>							
(a) Inventories		1,11,55,296	-	1,11,55,296	1,28,07,425	-	1,28,07,425
<b>(b) Financial Assets</b>							
(i) Trade Receivables		44,39,72,126	-	44,39,72,126	33,30,97,447	-	33,30,97,447
(ii) Cash & Cash Equivalents		1,44,30,873	-	1,44,30,873	2,40,66,429	-	2,40,66,429
(iii) Bank Balances other than (ii) above		5,76,26,131	-	5,76,26,131	3,99,50,663	-	3,99,50,663
(iv) Loans		2,29,300	-	2,29,300	1,99,603	-	1,99,603
(v) Other Financial Assets		56,52,01,145	-	56,52,01,145	75,46,438	-	75,46,438
(c) Other Current Assets	i	1,84,90,671	1,80,000	1,86,70,671	2,15,45,460	1,80,000	2,17,25,460
		<b>1,11,11,05,542</b>	<b>1,80,000</b>	<b>1,11,12,85,542</b>	<b>43,92,13,465</b>	<b>1,80,000</b>	<b>43,93,93,465</b>
<b>TOTAL ASSETS</b>		<b>2,95,29,20,372</b>	<b>(1,14,02,033)</b>	<b>2,94,15,18,339</b>	<b>2,51,19,13,765</b>	<b>(1,41,86,002)</b>	<b>2,49,77,27,763</b>
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
(a) Equity Share Capital		47,50,00,000	-	47,50,00,000	47,50,00,000	-	47,50,00,000
(b) Other Equity	38(II)	1,32,40,63,147	(1,14,02,033)	1,31,26,61,114	1,29,25,64,488	1,43,98,939	1,30,69,63,427
		<b>1,79,90,63,147</b>	<b>(1,14,02,033)</b>	<b>1,78,76,61,114</b>	<b>1,76,75,64,488</b>	<b>1,43,98,939</b>	<b>1,78,19,63,427</b>
<b>LIABILITIES</b>							
<b>(1) Non Current Liabilities</b>							
<b>(a) Financial Liabilities</b>							
(i) Borrowings		6,84,50,000	-	6,84,50,000	2,75,00,000	-	2,75,00,000
(b) Provisions		20,18,000	-	20,18,000	32,76,000	-	32,76,000
		<b>7,04,68,000</b>	<b>-</b>	<b>7,04,68,000</b>	<b>3,07,76,000</b>	<b>-</b>	<b>3,07,76,000</b>
<b>(2) Current Liabilities</b>							
<b>(a) Financial Liabilities</b>							
(i) Borrowings		9,66,41,776	-	9,66,41,776	6,31,55,932	-	6,31,55,932
(ii) Trade Payables		30,21,98,325	-	30,21,98,325	24,10,36,828	-	24,10,36,828
(iii) Other Financial Liabilities		61,06,19,356	-	61,06,19,356	31,63,74,222	-	31,63,74,222
(b) Other Current Liabilities		7,22,94,768	-	7,22,94,768	6,36,86,354	-	6,36,86,354
(c) Provisions	iv	16,35,000	-	16,35,000	2,93,19,941	(2,85,84,941)	7,35,000
		<b>1,08,33,89,225</b>	<b>-</b>	<b>1,08,33,89,225</b>	<b>71,35,73,277</b>	<b>(2,85,84,941)</b>	<b>68,49,88,336</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>2,95,29,20,372</b>	<b>(1,14,02,033)</b>	<b>2,94,15,18,339</b>	<b>2,51,19,13,765</b>	<b>(1,41,86,002)</b>	<b>2,49,77,27,763</b>



(Amount in ₹)

II) Reconciliation of Total Equity

Particulars	Note No. 38 (c)	As at 31st March 2017	As at 1st April 2016
<b>Equity as reported under Previous GAAP</b>		1,79,90,63,146	1,76,75,64,488
<b>Add/Less effect of transition to Ind AS :</b>			
Effect of fair valuation of financial asset at ammortised cost	iii	(1,60,60,674)	(2,11,30,830)
Effect of Tax	vi	46,58,642	69,44,828
Effect of Dividend and related dividend distribution tax	iv	–	2,85,84,941
		<b>(1,14,02,032)</b>	<b>1,43,98,939</b>
<b>Equity as reported under Ind AS</b>		<b>1,78,76,61,114</b>	<b>1,78,19,63,427</b>

III) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Note No 38 (c)	As per IGAAP for the year ended 31st March, 2017	Ind AS Adjustment	As per Ind AS for the year ended 31st March, 2017
<b>REVENUE :</b>				
I Revenue from Operations		1,03,21,26,169	–	1,03,21,26,169
II Other Income		47,49,896	3,54,29,974	4,01,79,870
III <b>Total Income (I + II)</b>	iii	<b>1,03,68,76,065</b>	<b>3,54,29,974</b>	<b>1,07,23,06,039</b>
<b>EXPENSES :</b>				
(a) Cost of Materials Consumed		2,88,38,274	–	2,88,38,274
(b) Purchases of Stock-in-Trade		82,04,81,291	–	82,04,81,291
(c) Changes of Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		2,60,749	–	2,60,749
(d) Employee Benefits Expense		3,00,22,602	2,25,000	3,02,47,602
(e) Finance Costs	ii	2,46,76,041	–	2,46,76,041
(f) Depreciation and Amortization Expense		3,05,18,929	(1,80,000)	3,03,38,929
(g) Other Expenses	i	10,89,40,992	3,05,39,817	13,94,80,809
<b>Total Expenses (IV)</b>	i, iii	<b>1,04,37,38,878</b>	<b>3,05,84,817</b>	<b>1,07,43,23,695</b>
V <b>Profit/(Loss) before exceptional items and tax (I - IV)</b>		(68,62,813)	48,45,156	(20,17,656)
VI Exceptional Items		5,39,00,000		5,39,00,000
VII <b>Profit/(Loss) before tax for the year (V - VI)</b>		<b>4,70,37,187</b>	<b>48,45,156</b>	<b>5,18,82,344</b>
<b>Tax Expense :</b>				
– Current Tax	vi	1,86,00,000	(53,00,000)	1,33,00,000
– Deferred Tax charge / (credit)	vi	(30,61,470)	75,11,793	44,50,323
VIII <b>Total Tax Expense</b>		<b>1,55,38,530</b>	<b>22,11,793</b>	<b>1,77,50,323</b>
IX <b>Profit/(Loss) after tax for the year (VII - VIII)</b>		<b>3,14,98,657</b>	<b>26,33,363</b>	<b>3,41,32,020</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
i. Items that will not be reclassified to profit or loss – Remeasurements of the net defined benefit liabilities / (assets)	ii	–	2,25,000	2,25,000
ii. Income tax relating to items that will not be reclassified to profit or loss	vi	–	74,392	74,392
X <b>Total Other Comprehensive Income for the year (i-ii)</b>		<b>–</b>	<b>1,50,608</b>	<b>1,50,608</b>
<b>Total Comprehensive Income for the year (IX + X)</b>		<b>3,14,98,657</b>	<b>27,83,971</b>	<b>3,42,82,629</b>



(Amount in ₹)

## IV) Reconciliation of Total Comprehensive Income

Particulars	Note No. 38 (c)	For Year ended March 2017
<b>Net Profit/(Loss) as per GAAP</b>		<b>3,14,98,657</b>
<b>Add/Less :</b>		
Effect of income on measurement of Financial Instrument	iii	50,70,156
Reclassification of net actuarial Gain/(Loss) on employee defined benefit plan to Other Comprehensive Income	ii	(2,25,000)
Effect of Tax	vi	(22,11,793)
<b>Net profit for the period as per Ind AS</b>		<b>3,41,32,020</b>
<b>Other Comprehensive Income</b>		
Net actuarial gain/(loss) on employee defined benefit plan (net of tax)	ii	1,50,608
<b>Total Comprehensive Income</b>		<b>3,42,82,629</b>

## V) Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2017

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	67,10,111	(19,94,450)	47,15,661
Net cash flows from investing activities	(4,62,32,428)	19,94,450	(4,42,37,978)
Net cash flows from financing activities	2,98,86,761	-	2,98,86,761
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(96,35,556)</b>	-	<b>(96,35,556)</b>
Cash and cash equivalents at the beginning of the period	2,40,66,429	-	2,40,66,429
<b>Cash and cash equivalents at the end of the period</b>	<b>1,44,30,873</b>	-	<b>1,44,30,873</b>

## b) Disclosure as per Ind AS 101 First-time adoption of Indian Accounting Standards :

## (I) Overall principle :

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below :

## (II) Mandatory exceptions and optional exemptions

## (i) Classification and measurement of financial asset:

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

## (ii) Derecognition of financial assets and financial liabilities :

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

## (iii) Deemed cost for property, plant and equipment and other intangible assets :

The Company has elected to continue with the carrying value of all of its property, plant and equipment and other intangible assets recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date except in respect of leasehold land of windmill as given in Note 5A(a).



(iv) **Deemed cost of investment in Subsidiaries and Associates :**

The Company has elected to continue with the carrying value of all of its investments in Subsidiaries and Associates recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(v) **Determining whether an arrangement contains a lease :**

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

(vi) **Impairment of financial assets :**

Ind AS 109 "Financial Instruments" requires the impairment to be carried out retrospectively; however, as permitted by Ind AS 101, the Company, has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date.

Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

(vii) **Business Combinations :**

In terms of Ind AS 101 "First Time Adoption of Indian Accounting Standards", the Company has elected to not to apply Ind AS 103 "Business Combination" for past combinations.

c) **Explanatory Notes to reconciliation between Previous GAAP and Ind AS**

i) **Re-classification of Leasehold Land**

Under previous GAAP, leasehold land was shown as a part of fixed assets, whereas under Ind AS, the same is considered as an operating lease and hence is shown as prepayments on leasehold land. This reclassification has resulted in decrease in depreciation and increase in rental expense and hence has no impact on other equity.

ii) **Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income instead of profit or loss. Under the Previous GAAP, these remeasurements were forming part of the profit or loss for the year.

iii) **Financial Assets accounted at amortised cost method under effective rate of interest**

(a) Financial assets such as retention money and deposits have been valued by applying amortised cost method using Effective Interest Rate as per requirements of Ind AS 109 'Financial Instruments'. Subsequent to transition date, the fair valuation difference on financial assets has been recognized in statement of profit & loss under other expenditure. Further, the accounting of such financial assets under the effective interest rate method, has resulted in increase in interest income.

(b) Interest free loan given to subsidiaries and associates were recorded at their transaction value under Previous GAAP. Under Ind AS, such loans are recognized at fair value on the date of transition/disbursements and the difference thereagainst has been charged off against retained earnings/statement of profit & loss account except in case of certain specific loans which are strategic and in the nature of contribution to subsidiaries. The differential amount in case of such strategic loans have been recognised as deemed investment on the date of transition/disbursement. Subsequently, the interest free loans has been carried by applying amortised cost method using effective interest rate as per the requirements of IND AS 109 'Financial Instruments' and interest income has been recognised thereagainst. In case of early prepayment, modification adjustment has been recorded and disclosed under Other Expense/Income.



iv) **Proposed Divided**

Under previous GAAP upto 1st April 2016, proposed dividends including dividend distribution tax are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under IND AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company, usually when approved by the shareholders in a general meeting, or paid.

v) **Insurance Contract**

Under previous GAAP, corporate guarantee issued by the Company on behalf of the Subsidiary companies was not recognised but disclosed as Contingent Liability.

Under IND AS, such Corporate Guarantee issued by the Company being in the nature of 'Insurance Contracts' has been recognised and disclosed as contingent liability.

vi) **Current Tax and Deferred Tax**

Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The aforesaid difference, together with the consequential tax impact of other Ind AS transitional adjustments lead to temporary differences and accordingly, deferred tax adjustments have been recognised in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

Further, under Previous GAAP, Minimum Alternate Tax (MAT) Credit Entitlement were shown under Other Non Current Assets and under IND AS, the same has been considered as deferred tax assets. Consequently, utilisation of MAT Credit entitlement relating to the year ended 31st March, 2017 and those prior to the transition date has been netted with the income tax expense and provision for tax respectively and corresponding charge has been made from deferred tax asset under Ind AS.

vii) Previous year figures have been regrouped and rearranged to comply with the IND AS Schedule presentation.

## NOTE 39

These financial statements have been approved by the Board of Directors of the Company on 7th June, 2018 for issue to the shareholders for their adoption.

As per our Report of even date  
For **A L P S & Co**  
Chartered Accountants  
Firm's ICAI Registration No. 313132E

Sd/- **A. K. Khetawat**  
Partner  
Membership No. 052751

Place : New Delhi  
Dated : 7th June, 2018

**For and on behalf of the Board of Directors**

Sd/- **Amar Singh**, Non Executive Director (DIN : 00165567)

Sd/- **Pankaja Kumari Singh**, Director (DIN : 00199454)

Sd/- **Vinod Kumar Sharma**, Executive Director (DIN : 02879206)

Sd/- **Vijoy Kumar**, Director (DIN : 02970626)

Sd/- **Sunil Dutt Sharma**, Chief Financial Officer

Sd/- **Vijayshree Binnani**, Company Secretary





## INDEPENDENT AUDITORS' REPORT

TO  
THE MEMBERS OF ENERGY DEVELOPMENT COMPANY LIMITED

### Report on the Ind AS Consolidated Financial Statements

We have audited the accompanying Ind AS Consolidated financial statements of **Energy Development Company Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), and the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information for the year ended on that date (hereinafter referred to as "the Consolidated Ind AS financial statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that gives a true and fair view of the state of affairs (consolidated financial position), profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group including its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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



We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraph (a) in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group and its associate as at March 31, 2018, the consolidated loss and total comprehensive loss, the consolidated Cash Flows and the consolidated changes in equity for the year then ended.

### **Emphasis of Matter**

We draw attention to Note No. 8(a) and (b) of the financial statements, considering the transaction for the transfer of 76% of holding in undertakings, which are involved in setting up hydel power plants at various locations, no diminution in the value of loans of ₹ 5,26,67,161 and investment of ₹ 12,28,54,737 in preference shares representing 24% holding as on 31st March, 2018 has been considered. Further, as stated in Note 6(a), no provision for impairment against capital work in progress aggregating to ₹ 29,71,24,421 pending implementation of the projects undertaken by the subsidiaries has been made. Adjustment with respect to the above being determinable on the status of implementation of the projects, resultant impact in this respect as such are presently not ascertainable.

Our opinion is not modified in respect of this matter.

### **Other Matters**

- (a) We did not audit the financial statements of four subsidiary companies included in the consolidated financial statements for the year ended 31st March, 2018, whose financial statements reflect total assets of ₹ 551,576,638 and net assets of (₹ 102,866,568) as at 31st March, 2018 and net cash flows of ₹ 1,509,921 and total revenue of ₹ 42,500,090 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of ₹ Nil for the year ended 31st March, 2018 in respect of the associate, whose financial statements have not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and associate, and our report in terms of subsection (3) and sub section (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the report of other auditors.
- (b) The comparative Ind AS financial information of the Group and its associate for the corresponding year ended March 31, 2017 and April 1, 2016 were based on the financial statements audited by the predecessor auditor who expressed unmodified opinion vide their report dated May 29, 2017 and May 30, 2016 respectively and reliance has been placed by us on the same for the purpose of this report.

Our opinion is not modified in respect of the above matters.

### **As required by Section 143 (3) of the Act, we report to the extent applicable 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 purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including consolidated other comprehensive income), the Consolidated Cash Flow Statement and the consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.



- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors of the Holding Company, subsidiary companies and associate as on March 31, 2018, taken on record by the respective Board of Directors, none of the directors of the Group and its associates are disqualified as on March 31, 2018, 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 A" which is based on the auditors' report of the Holding company and its subsidiary and associate companies incorporated in India.
- 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. Pending litigations (other than those already recognised in the financial statements) having material impact on the financial position of the Company have been disclosed in the financial statements as required in terms of relevant accounting standards and provisions of the Act [Note No. 41(a)].
  - ii. As explained to us, the Group and its associate has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts, including derivative contracts [Note No. 45(b)].
  - iii. During the year, the amounts which were required to be transferred to the Investor Education and Protection Fund have been transferred by the Holding Company within the due date. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary and associate companies.
  - iv. The reporting requirement on disclosures relating to specified Bank note is not applicable to the Group for the year ended 31st March, 2018.

Place : New Delhi  
Dated : 7th June, 2018

For **A L P S & Co**  
Chartered Accountants  
Firm's ICAI Registration No. 313132E  
**Sd/- A. K. Khetawat**  
*Partner*  
Membership No. 052751



## **ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT** referred to in our report of even date

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of Energy Development Company Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries (the holding Company and its subsidiary together referred to as “the Group”) and its associates, which are companies incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its Subsidiary Companies and its associates are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective 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 respective 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.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Group’s and its associates 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 and the audit evidence obtained by the other auditors of the subsidiary and associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, 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 Group and its associates 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, 2018, based on the internal control over financial reporting criteria established by the respective 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.

### **Other Matters**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiaries and associates, which are companies incorporated in India, which have been audited by other auditors, is based on the corresponding standalone reports of the auditors of such companies.

Place : New Delhi  
Dated : 7th June, 2018

For **A L P S & Co**  
Chartered Accountants  
Firm's ICAI Registration No. 313132E  
**Sd/- A. K. Khetawat**  
*Partner*  
Membership No. 052751





## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017	Amount in ₹ As at 1st April 2016
<b>ASSETS</b>				
<b>(1) Non Current Assets</b>				
(a) Property, Plant and Equipment	5	1,90,40,29,553	1,90,94,26,183	2,00,53,81,435
(b) Capital Work-in-Progress	6	29,71,24,421	46,93,90,904	2,44,17,91,013
(c) Other Intangible Assets	7	12,88,48,933	5,93,77,697	6,86,15,751
		<u>2,33,00,02,907</u>	<u>2,43,81,94,784</u>	<u>4,51,57,88,199</u>
(d) Financial Assets				
(i) Investment	8	12,30,83,279	25,97,05,279	2,28,542
(ii) Loans	9	–	5,50,49,475	3,31,800
(iii) Other Financial Assets	10	95,38,649	1,40,90,458	1,21,69,585
(d) Non Current Tax Assets (net)	11	4,72,71,321	4,41,44,833	5,54,16,723
(e) Deferred Tax Assets (net)	25	1,86,58,869	2,55,86,102	3,91,95,621
(f) Other Non Current Assets	12	42,87,819	68,24,370	79,28,601
		<u>2,53,28,42,843</u>	<u>2,84,35,95,300</u>	<u>4,63,10,59,071</u>
<b>(2) Current Assets</b>				
(a) Inventories	13	1,36,12,925	1,24,19,851	1,38,05,597
(b) Financial Assets				
(i) Trade Receivables	14	38,67,96,208	45,52,35,695	34,22,75,157
(ii) Cash & Cash Equivalents	15	5,52,45,821	1,60,01,504	5,11,17,478
(iii) Bank Balances other than (ii) above	16	3,53,35,815	5,76,26,131	3,99,50,663
(iv) Loans	17	5,31,75,947	2,60,369	4,19,603
(v) Other Financial Assets	18	51,52,36,809	61,60,25,079	1,29,92,207
(c) Other Current Assets	19	2,54,00,574	2,42,43,254	2,74,49,585
		<u>1,08,48,04,099</u>	<u>1,18,18,11,881</u>	<u>48,80,10,290</u>
<b>TOTAL ASSETS</b>		<b>3,61,76,46,943</b>	<b>4,02,54,07,182</b>	<b>5,11,90,69,361</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital	20	47,50,00,000	47,50,00,000	47,50,00,000
(b) Other Equity	21	60,96,29,695	75,37,67,831	94,57,74,807
Equity attributable to Owners of the Company		<u>1,08,46,29,695</u>	<u>1,22,87,67,831</u>	<u>1,42,07,74,807</u>
Non Controlling Interest	22	(2,14,01,172)	(67,15,372)	–
<b>LIABILITIES</b>				
<b>(1) Non Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	23A	1,54,86,67,670	1,48,79,60,233	2,68,92,71,623
(b) Provisions	24	36,90,000	27,48,000	57,81,000
(c) Deferred Tax Liabilities (net)	25	4,55,28,925	2,83,56,090	4,80,83,826
		<u>1,59,78,86,595</u>	<u>1,51,90,64,323</u>	<u>2,74,31,36,449</u>
<b>(2) Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	23B	7,34,76,666	10,88,49,201	6,31,55,932
(ii) Trade Payables	26	20,82,78,902	31,26,60,590	25,59,52,461
(iii) Other Financial Liabilities	27	59,85,68,971	78,44,94,109	56,67,66,197
(b) Other Current Liabilities	28	7,45,72,286	7,63,95,499	6,84,48,515
(c) Provisions	29	16,35,000	18,91,000	8,35,000
		<u>95,65,31,825</u>	<u>1,28,42,90,399</u>	<u>95,51,58,105</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>3,61,76,46,943</b>	<b>4,02,54,07,182</b>	<b>5,11,90,69,361</b>

Significant Accounting Policies 3  
The accompanying notes(1-52) form an integral part of financial statements.

As per our Report of even date

For A L P S & Co

Chartered Accountants

Firm's ICAI Registration No. 313132E

Sd/- A. K. Khetawat

Partner

Membership No. 052751

Place : New Delhi

Dated : 7th June, 2018

For and on behalf of the Board of Directors

Sd/- Amar Singh, Non Executive Director (DIN : 00165567)

Sd/- Pankaja Kumari Singh, Director (DIN : 00199454)

Sd/- Vinod Kumar Sharma, Executive Director (DIN : 02879206)

Sd/- Vijoy Kumar, Director (DIN : 02970626)

Sd/- Sunil Dutt Sharma, Chief Financial Officer

Sd/- Vijayshree Binnani, Company Secretary



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note No	Amount in ₹	
		Year ended 31st March 2018	Year ended 31st March 2017
<b>REVENUE :</b>			
Revenue from operations	30	59,90,58,394	1,15,40,19,917
Other Income	31	2,08,11,822	87,96,970
<b>Total Income</b>		<b>61,98,70,216</b>	<b>1,16,28,16,887</b>
<b>EXPENSES :</b>			
Cost of materials consumed	32	75,20,560	2,88,38,274
Purchase of Stock-in-Trade	33	23,44,10,436	82,04,81,291
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	34	(14,75,420)	2,60,749
Employee Benefits Expense	35	5,21,84,585	5,26,23,023
Finance Costs	36	20,54,13,100	30,47,56,423
Depreciation and Amortization Expense	37	11,69,51,508	10,89,51,560
Other Expenses	38	10,62,88,168	16,70,48,778
		72,12,92,937	1,48,29,60,093
Less : Expenses transferred to Pre Operative Expenses Account		-	(25,98,797)
<b>Total Expenses</b>		<b>72,12,92,937</b>	<b>1,48,03,61,296</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(10,14,22,721)</b>	<b>(31,75,44,409)</b>
Exceptional Items	39	-	36,82,93,492
<b>Profit/(Loss) before tax for the year</b>		<b>(10,14,22,721)</b>	<b>5,07,49,083</b>
<b>Tax Expense :</b>	40		
- Current tax		93,92,386	1,33,00,000
- Deferred tax charge / (credit)		2,02,49,222	(23,03,580)
<b>Total Tax Expense</b>		<b>2,96,41,608</b>	<b>1,09,96,420</b>
<b>Profit/(Loss) after tax for the year</b>		<b>(13,10,64,329)</b>	<b>3,97,52,663</b>
Share of profit/(loss) in associate		-	-
<b>Profit/(Loss) for the year</b>		<b>(13,10,64,329)</b>	<b>3,97,52,663</b>
Profit/(Loss) for the year attributable to:			
- Owner of the Company		(11,63,78,528)	4,64,68,035
- Non Controlling Interest		(1,46,85,801)	(67,15,372)
<b>OTHER COMPREHENSIVE INCOME</b>			
(i) Items that will not be reclassified to profit or loss		12,33,000	15,70,000
(ii) Income tax relating to items that will not be reclassified to profit or loss		(4,07,667)	(5,19,090)
Other Comprehensive Income for the year (net of tax)		<b>8,25,333</b>	<b>10,50,910</b>
Other Comprehensive Income for the year attributable to:			
- Owner of the Company		8,25,333	10,50,910
- Non Controlling Interest		-	-
<b>Total Comprehensive Income/(Loss) for the year</b>		<b>(13,02,38,996)</b>	<b>4,08,03,573</b>
Total Comprehensive Income/(Loss) for the year attributable to:			
- Owner of the Company		(11,55,53,195)	4,75,18,945
- Non Controlling Interest		(1,46,85,801)	(67,15,372)
Earnings per equity share of ₹ 10 each, fully paid up	46		
- Basic & Diluted		(2.45)	0.98
Significant Accounting Policies	3		
The accompanying notes (1-52) form an integral part of financial statements.			

As per our Report of even date  
For **A L P S & Co**  
Chartered Accountants  
Firm's ICAI Registration No. 313132E  
  
Sd/- **A. K. Khetawat**  
Partner  
Membership No. 052751  
  
Place : New Delhi  
Dated : 7th June, 2018

**For and on behalf of the Board of Directors**  
Sd/- **Amar Singh**, Non Executive Director (DIN : 00165567)  
Sd/- **Pankaja Kumari Singh**, Director (DIN : 00199454)  
Sd/- **Vinod Kumar Sharma**, Executive Director (DIN : 02879206)  
Sd/- **Vijoy Kumar**, Director (DIN : 02970626)  
Sd/- **Sunil Dutt Sharma**, Chief Financial Officer  
Sd/- **Vijayshree Binnani**, Company Secretary





## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

### (i) Equity Share Capital

Particulars	Amount in ₹
Balance as at April 1, 2016	47,50,00,000
Changes during the year	–
Balance as at March 31, 2017	47,50,00,000
Changes during the year	–
Balance as at March 31, 2018	47,50,00,000

### (ii) Other Equity

Particulars	Reserves and Surplus					Total
	Capital Reserve	Capital Reserve on consolidation*	Securities Premium	General Reserve	Retained Earnings	
Balance as at 1st April, 2016	14,91,65,345	19,41,99,956	59,00,00,000	22,88,636	1,01,20,870	94,57,74,807
Profit/(Loss) for the Year	–	–	–	–	4,64,68,035	4,64,68,035
Other Comprehensive Income for the year	–	–	–	–	10,50,910	10,50,910
<b>Total Comprehensive Income for the year</b>	–	–	–	–	<b>4,75,18,945</b>	<b>4,75,18,945</b>
Dividend Paid	–	–	–	–	(2,37,50,000)	(2,37,50,000)
Tax on Dividend Paid	–	–	–	–	(48,34,941)	(48,34,941)
Adjustments during the year	–	(17,86,71,663)	–	–	(3,22,69,316)	(21,09,40,979)
Balance as at 31st March, 2017	14,91,65,345	1,55,28,293	59,00,00,000	22,88,636	(32,14,442)	75,37,67,831
Profit/(Loss) for the Year	–	–	–	–	(11,63,78,528)	(11,63,78,528)
Other Comprehensive Income for the year	–	–	–	–	8,25,333	8,25,333
<b>Total Comprehensive Income for the year</b>	–	–	–	–	<b>(11,55,53,195)</b>	<b>(11,55,53,195)</b>
Dividend Paid	–	–	–	–	(2,37,50,000)	(2,37,50,000)
Tax on Dividend Paid	–	–	–	–	(48,34,941)	(48,34,941)
Balance as at 31st March, 2018	14,91,65,345	1,55,28,293	59,00,00,000	22,88,636	(14,73,52,579)	60,96,29,695

\* Refer Note 8(c) and (d)

Refer Note no. 21 for nature and purposes of reserves

The accompanying notes (1-52) form an integral part of financial statements.

As per our Report of even date

For A L P S & Co  
Chartered Accountants  
Firm's ICAI Registration No. 313132E  
Sd/- A. K. Khetawat  
Partner  
Membership No. 052751  
Place : New Delhi  
Dated : 7th June, 2018

For and on behalf of the Board of Directors

Sd/- Amar Singh, Non Executive Director (DIN : 00165567)  
Sd/- Pankaja Kumari Singh, Director (DIN : 00199454)  
Sd/- Vinod Kumar Sharma, Executive Director (DIN : 02879206)  
Sd/- Vijoy Kumar, Director (DIN : 02970626)  
Sd/- Sunil Dutt Sharma, Chief Financial Officer  
Sd/- Vijayshree Binnani, Company Secretary



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	31.03.2018		31.03.2017	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>A) Cash Flow From Operating Activities:</b>				
Profit/(Loss) before tax		(10,14,22,721)		5,07,49,083
<b>Adjustments for :</b>				
Depreciation & Amortisation	11,69,51,508		10,89,51,560	
Interest & Finance Charges	20,54,13,100		30,47,56,423	
Interest income on Financial Instruments	(1,41,28,566)		(66,28,097)	
Irrecoverable balance written off	(1,000)		3,038	
Gain on fair valuation of Financial Instruments	(16,61,317)		–	
Provision for Investment	–		16,18,000	
Fair Value Adjustment for Loan Given	4,87,392		–	
Exceptional item- Sale of investment in subsidiaries and associate	–		(36,82,93,492)	
Amorisation of Prepayment for Leasehold Land	1,80,000		1,80,000	
Loss on fair valuation of financial instrument	16,31,682		27,82,096	
Liabilty no longer required written back	(2,19,154)	30,86,53,645	(9,45,245)	4,24,24,283
<b>Operating Profit before Working Capital Changes</b>		20,72,30,924		9,31,73,366
<b>Adjustments for :</b>				
(Increase)/Decrease in Inventory	(11,93,074)		(86,49,326)	
(Increase)/Decrease in Trade and Other receivables	6,89,55,723		(9,85,43,586)	
Increase/(Decrease) in Trade and Other payables	(9,90,49,468)	(3,12,86,819)	7,26,60,485	(3,45,32,428)
<b>Cash generated from operations</b>		17,59,44,105		5,86,40,938
Direct Taxes paid (Net of refund)		(90,75,694)		(20,28,110)
<b>Net Cash Flow from Operating Activities</b>		<b>16,68,68,411</b>		<b>5,66,12,828</b>
<b>B) Cash Flow from Investing Activities</b>				
(Purchase)/Sale of Property, Plant and Equipment	8,07,36,431		(3,82,99,866)	
(Purchase)/Sale of Intangible Asset	(8,55,66,336)		–	
Purchase of Investment of subsidiaries/associates	(2,80,00,000)		(11,88,00,000)	
Other purchase of investments	–		(9,00,000)	
Sale of Investments	–		5,88,00,000	
Advance received against Sale of Investments	8,50,00,000		6,00,54,000	
Deposit / redemption of Margin Money and other bank balances	2,22,90,316		(1,76,75,468)	
Loan (Given) / Proceeds on repayment	34,11,439		–	
Interest Received	1,12,72,339	8,91,44,189	44,13,291	(5,24,08,043)
<b>Net Cash Flow from Investing Activities</b>		<b>8,91,44,189</b>		<b>(5,24,08,043)</b>
<b>C) Cash Flow from Financing Activities</b>				
Proceeds from / (repayments) of borrowings	(44,96,774)		11,82,03,001	
Interest & Finance Charges paid	(18,36,86,568)		(12,84,38,384)	
Dividend Paid	(2,37,50,000)		(2,37,50,000)	
Dividend Distribution Tax Paid	(48,34,941)	(21,67,68,283)	(48,34,941)	(3,88,20,324)
<b>Net Cash flow from Financing Activities</b>		<b>(21,67,68,283)</b>		<b>(3,88,20,324)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>3,92,44,317</b>		<b>(3,46,15,539)</b>
<b>Cash and Cash equivalents of subsidiaries sold during the year as referred in Note 8(e)</b>		–		(5,00,435)
<b>Cash and Cash equivalents at the beginning of the year</b>		<b>1,60,01,504</b>		<b>5,11,17,478</b>
<b>Cash and Cash equivalents at the end of the year</b>		<b>5,52,45,821</b>		<b>1,60,01,504</b>

The accompanying notes (1-52) form an integral part of financial statements.



**Notes :**

- 1) Cash Flow Statement is prepared by the indirect method as set out in Indian Accounting Standard - 7 on Cash Flow Statement  
2) **Cash and cash equivalents as at the Balance Sheet date consists of:**

Particulars	31.03.2018 Amount (₹)	31.03.2017 Amount (₹)
<b>Cash and cash equivalents (Refer Note 15)</b>		
- Balance with Banks on Current Accounts	1,30,26,095	1,57,92,801
- Balance with Banks on Fixed Deposit Accounts	4,19,52,000	-
- Cash on hand	2,67,726	2,08,703
<b>Cash and Cash equivalents at the end of the year</b>	<b>5,52,45,821</b>	<b>1,60,01,504</b>

- 3) **Change in Company's liabilities arising from financing activities :**

Particulars	As at 31.03.2017	Financing Cash flows*	Non Cash changes	As at 31.03.2018
<b>Non-current Borrowings (Refer Note 23)</b>				
-Term Loan from Indian Renewable Energy Development Agency Ltd. (IREDA)	83,89,99,878	3,32,96,914	-	87,22,96,792
-Non Cumulative Redeemable Preference share capital	23,47,04,355	-	17,16,523	23,64,20,878
-Loan from Related Parties	18,49,50,000	6,41,94,000	-	23,99,50,000
-Loan from Others	22,93,06,000	(3,85,00,000)	-	20,00,00,000
<b>Current Borrowings (Refer Note 23 &amp; 27)</b>				
-Cash Credit from Bank	9,66,41,776	(2,33,11,507)	-	7,33,30,269
-Loan from Others	1,22,07,425	(1,20,61,028)	-	1,46,397
-Current maturities of long-term loan from IREDA	6,35,00,000	(3,18,62,292)	-	3,16,37,708
-Current maturities of long-term loan from Others	-	37,47,139	-	37,47,139
<b>Interest accrued and due on borrowings (Refer Note no. 27)</b>				
-Interest accrued and due on borrowings	8,60,13,499	(17,12,76,289)	16,58,15,270	8,05,52,480
-Interest accrued and due on Others	1,57,63,470	(1,24,10,279)	1,58,41,308	1,91,94,499
-Interest on preference shares	2,20,40,000	-	2,20,40,000	4,40,80,000
	<b>1,78,41,26,403</b>	<b>(18,81,83,342)</b>	<b>20,54,13,101</b>	<b>1,80,13,56,162</b>

\*Includes cash flows on account of both principal and interest.

- 4) Previous year's figures have been re-grouped/rearranged wherever considered necessary.

As per our Report of even date  
For **A L P S & Co**  
Chartered Accountants  
Firm's ICAI Registration No. 313132E  
  
Sd/- **A. K. Khetawat**  
Partner  
Membership No. 052751  
  
Place : New Delhi  
Dated : 7th June, 2018

**For and on behalf of the Board of Directors**  
Sd/- **Amar Singh**, Non Executive Director (DIN : 00165567)  
Sd/- **Pankaja Kumari Singh**, Director (DIN : 00199454)  
Sd/- **Vinod Kumar Sharma**, Executive Director (DIN : 02879206)  
Sd/- **Vijoy Kumar**, Director (DIN : 02970626)  
Sd/- **Sunil Dutt Sharma**, Chief Financial Officer  
Sd/- **Vijayshree Binnani**, Company Secretary



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

### NOTE 1

#### CORPORATE INFORMATION

Energy Development Company Limited (the Company) is a public limited company domiciled and incorporated in India. The shares of the Company are listed on National Stock Exchange of India Limited ['NSE'] and The Bombay Stock Exchange Limited ['BSE']. The registered office of the company is at Harangi Hydro Electric Project Village- Hulugunda, Taluka- Somawarpet District- Kodagu, Karnataka-571233. The Group (comprising of the Company and its subsidiaries) and Associate is primarily engaged in (a) generation and sale of bulk power to various electricity boards; (b) construction development, implementation, operation & maintenance of projects and consultancies and (c) trading of Power equipments, metals etc.

The consolidated financial statements comprise financial statements of Energy Development Company Limited ("the Company" or "the Parent") and its Subsidiaries (collectively referred to as "the Group") and its associate as detailed below:

#### Investment in Subsidiaries :

Name of the Company	Principal Activity	Country of Incorporation	% holding as at 31st March, 2018	% holding as at 31st March, 2017	% holding as at 1st April, 2016
Ayyappa Hydro Power Limited	Power Generation	India	100%	100%	100%
EDCL Power Projects Limited	Power Generation	India	100%	100%	100%
EDCL Arunachal Hydro Project Private Limited	Power Generation	India	100%	100%	0.99% (*)
Eastern Ramganga Valley Hydel Projects Company Private Limited	Power Generation	India	51%	51%	100%
Sarju Valley Hydel Projects Company Private Limited	Power Generation	India	51%	51%	100%
Arunachal Hydro Power Limited	Power Generation	India	–	–	100%

#### Investment in Associate :

Name of the Company	Principal Activity	Country of Incorporation	% holding as at 31st March, 2018	% holding as at 31st March, 2017	% holding as at 1st April, 2016
Arunachal Hydro Power Limited	Power Generation	India	24%	24%	–

(\*) The entire share capital of EDCL Arunachal Hydro Project Private Limited was held by Energy Development Company Limited directly or through Arunachal Hydro Power Limited.

### NOTE 2

#### STATEMENT OF COMPLIANCE AND RECENT PRONOUNCEMENTS

##### 2.1 Statement of Compliance

The Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2017 and therefore Ind AS issued, notified and made effective till the financial statements are authorised have been considered for the purpose of preparation of these Consolidated Financial Statements.

These are Group's first Ind AS Consolidated Financial Statements and the date of transition to Ind AS as required has been considered to be April 1, 2016.

The Consolidated Financial Statement upto the year ended March 31, 2017 were prepared as per the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (Previous GAAP) and Accounting



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 then applicable to the Group. Previous GAAP figures in the Consolidated Financial Statements have now been restated in compliance to Ind AS.

In accordance with Ind AS 101- "First Time adoption of Indian Accounting Standards" (Ind AS 101), the Group has presented (Note No. 49), a reconciliation of Shareholders' equity as given earlier under Previous GAAP and those considered in these accounts as per Ind AS as at March 31, 2017 and April 1, 2016 and also the Net Profit as per Previous GAAP and that arrived including Other Comprehensive Income under Ind AS for the year ended March 31, 2017. The mandatory exceptions and optional exemptions availed by the Group on First-time adoption have been detailed in Note No. 49 of the Consolidated Financial Statement.

### 2.2 Recent Pronouncements

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has issued the Companies (Indian Accounting Standards) Amendment Rules, 2018 notifying Ind AS 115, "Revenue from Contract with Customers" and Appendix B to Ind AS 21 "Foreign currency transactions and advance consideration" which are applicable with effect from financial periods beginning on or after April 1, 2018.

#### Ind AS 115 – Revenue from Contract with Customers

The standard requires that an entity should recognise revenue to depict the transfer of promised goods or services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effect of this amendment on the Consolidated Financial Statements of the Group is being evaluated.

#### Ind AS 21 – Appendix B "Foreign currency transactions and advance consideration"

This Appendix applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it). The effect of this amendment on the Consolidated Financial Statements of the Group is being evaluated.

## NOTE 3

### SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Basis of Preparation of Consolidated Financial Statements

The Consolidated Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments and net defined benefit assets/ liabilities which are measured in terms of relevant Ind AS at fair value at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

Based on the nature of activities, the operating cycle has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Consolidated Financial Statements are presented in Indian Rupees which is the Group's functional and presentation currency except otherwise stated.

#### Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:



**Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

**Level 3:** Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

For Financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments.

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant observable and unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

The Group recognises transfers between levels of fair value hierarchy at the end of the reporting period during which change has occurred.

### Consolidation Procedure

The Consolidated Financial Statements of Energy Development Company Limited, its Subsidiary Companies and its Associate Company have been prepared in accordance with principles laid down in Ind AS 110 on "Consolidated Financial Statements" and Ind AS 28 on "Investments in Associates and Joint Ventures" as notified vide Companies (Accounting Standards) Rules, 2015 (as amended). The basis of preparation of the Consolidated Financial Statements is as follows:

- i) The financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after eliminating intra-group balances and transactions if any and the resulting unrealized profits or losses.
- ii) The consolidated financial statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.
- iii) The financial statement of the subsidiaries and associate used in the consolidation is drawn upto 31st March 2018, the same reporting date as that of the Company.
- iv) The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the consolidated financial statements as Goodwill or Capital reserve as the case may be. The said goodwill is not amortised, however it is tested for impairment at each balance sheet date and impairment loss, if any is recognised in the consolidated financial statements.
- v) Non-controlling interest share of net assets of subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- vi) Non-controlling interest represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Group. Non-controlling interest are initially measured at proportionate share on the date of acquisition of the recognised amounts of the acquiree's identifiable net assets. Subsequent to the acquisition, the carrying amount of the non-controlling interest is the amount of the interest at initial recognition plus the proportionate share of subsequent changes in equity.
- vii) Investment in associate are valued and accounted for under equity method of accounting in accordance with Ind AS 28. Under the equity method, the investments are recognised at cost and thereafter the carrying amount of the investment in associate is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions between the Group and its associate are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.





When the Group's share of losses in an associate equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payment on behalf of the other entity. The carrying amount of equity accounted investments are tested for impairment in accordance with the policy of the group.

### 3.2 Property, Plant and Equipment (PPE)

- (a) Property, Plant and Equipment 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) Pre operative 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 PPE on completion of its construction / erection. Interest on borrowing related to qualifying asset is worked out on the basis of 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.
- (c) Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.
- (d) Items of spare parts (procured along with plant and machinery or subsequently), stand by equipments and servicing equipments which meet the recognition criteria of PPE are capitalised. Other such spare parts or equipments are treated as and forming part of inventory.

### 3.3 Intangible Assets

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

### 3.4 Depreciation and Amortisation

Depreciation on assets of generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers & cable network has been provided on straight line method over useful life as per the implementation/other agreement with the authorities. Values of spares related to the machinery are depreciated over the effective life of the plant and machinery to which they relate. Erection and maintenance tools are amortised over a period of five years on pro-rata basis.

Other assets have been depreciated on written down value method at the rate and in the manner specified in Schedule II to the Companies Act, 2013.

Based on above, the estimated useful lives of various assets have been arrived as follows:

Category	Useful Life (years)
Roads	5 years
Electrical Installation	10 years
Plant and Equipments	7.5 years
Computer equipment	3 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Assets of generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers & cable network	30 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

Intangible assets are amortised over its useful life of 5 years.





### 3.5 Derecognition of Tangible and Intangible Assets

An item of tangible and intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise therefrom. Gain or loss on the disposal or retirement of an item of asset is determined as the difference between the sales proceeds/net realizable value and the carrying amount of the asset, is recognized in the Statement of Profit and Loss.

### 3.6 Impairment of Tangible and Intangible Assets

Tangible and Intangible assets 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 amount of assets exceed 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 on a pro-rata basis. Subsequent to recognition of impairment loss/reversal thereof, depreciation is provided on the revised carrying amount of the asset, on a systematic basis, over its remaining useful life.

### 3.7 Financial Assets and Financial Liabilities

Financial assets and financial liabilities (financial instruments) are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the Group or otherwise these are classified as non-current.

The financial instruments are subsequently classified at amortised cost, at Fair Value Through Profit and Loss (FVTPL) or Fair Value Through Other Comprehensive Income (FVTOCI) and such classification depends on the objective and contractual term to which they relate. Classification of financial instruments are determined on initial recognition.

#### i. Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

#### ii. Financial Assets and Financial Liabilities measured at amortized cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost. The above financial assets and financial liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) Method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the Financial Assets or Financial Liability to the gross carrying amount of the financial asset or to the amortized cost of the financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### iii. Financial Asset at Fair Value through Other Comprehensive Income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein, are recognized directly in Other Comprehensive Income.



iv. For the purpose of Para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

v. **Financial Assets and Financial Liabilities at Fair value through profit or loss**

Financial Instruments which does not meet the criteria of amortized cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. Upon initial recognition, attributable transaction costs are recognized in the Statement of Profit and Loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in the Statement of Profit and Loss.

**3.8 Impairment of financial assets**

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset. The Group measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

**3.9 De-recognition of financial instruments**

The Group derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designed at FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in profit or loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Group's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

**3.10 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.

Cost in respect of work in progress represents cost of materials remaining uncertified/incomplete under the construction/consultancy contracts undertaken by the Group.

**3.11 Leases**

Payments made under operating leases are recognized as expenses on a straight-line basis over the term of the lease unless the lease agreement is structured to increase the amount in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognized as an expense in the period in which they are incurred.

**3.12 Equity Share Capital**

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

**3.13 Borrowing Cost**

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale.



### 3.14 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the Consolidated Financial Statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Consolidated Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

### 3.15 Revenue Recognition

- (a) Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuous management involvement and the amount of revenue can be measured reliably.
- (b) Revenue in respect of sale of electricity generated is accounted for on delivery to the grid in accordance with tariff provided in Power Purchase Agreement (PPA) read with the regulations of State Electricity Regulatory Commission.
- (c) Revenue against construction/consultancy contracts is recognized progressively on the basis of Percentage of Completion method. Stage of completion of contracts in progress is assessed or estimated in proportion to the contract costs incurred relative to the estimated total cost of the contract except where this is not representative of the stage of completion. In such case, the same is assessed with reference to the proportion of the contract work progressed/ technical assessment of the work executed in line with the terms of respective contracts and those billed to the customers as against the total contract.

### 3.16 Employee Benefits

Employee benefits are accrued in the year services are rendered by the employees. Contribution to the defined contribution schemes such as Provident Fund etc. are recognized as and when incurred.

Contribution to defined benefit plans consisting of contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized immediately in the Consolidated Balance Sheet with a corresponding debit or credit to Retained Earnings through Other Comprehensive Income ("OCI") in the period in which they occur.

Long term employee benefits consisting of Leave Encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain/loss are recognised in the Consolidated Statement of Profit and Loss.

### 3.17 Taxation

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to



apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternative Tax (MAT) measured in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable that the future economic benefit associated with same will be realised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

### 3.18 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### 3.19 Business Combination and Goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. The said exemption has also been availed by associate.

The Group except for combination of group entities which are under common control applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are generally measured at their acquisition date fair values.

In case of combination of entities under control, business combination are accounted for under pooling of interest method whereby the assets and liabilities are combined at the carrying amount and no adjustments are made to reflect their fair values or recognise any new assets or liabilities.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the combination date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

### 3.20 Grant and subsidies from Government

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

## NOTE 4

### CRITICAL ACCOUNTING JUDGMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of the Consolidated Financial Statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Consolidated Financial Statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates.

Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the Consolidated Financial Statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been summarised below. The key assumptions concerning the future and other key



sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year have also be summarised here under:

**4.1 Depreciation / amortization and impairment on property, plant and equipment / intangible assets.**

Property, plant and equipment and intangible assets are depreciated/ amortized on straight-line basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. The Group reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Assets' recoverable amount is estimated which is higher of assets' or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The reassessment may result in change due to variation in estimates assumption in future period.

**4.2 Leases and classification of leases**

The Group enters into various lease arrangements. The determination of lease and classification of the arrangement as a finance lease or operating lease is based on assessment of several factors, including but not limited to transfer of ownership of assets at the end of the lease term, lessee's option to purchase and estimated certainty of exercising such option and proportion of present value of minimum lease payments to fair value of leasehold assets.

**4.3 Impairment allowances on Financial asset**

The Group evaluates whether there is any objective evidence that financial asset including loan, trade and other receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Group bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience and these factors are subject to variations leading to consequential impact on the amounts considered in the Consolidated Financial Statements.

**4.4 Application of "Service concession arrangements" accounting**

In assessing the applicability of the service concession arrangement with respect to hydro power plants of the Group, the management has exercised significant judgement considering the ownership of the assets and consideration thereagainst, operational capabilities and ability to sell the power generated to the consumer and determine the rate in this respect, in concluding that the arrangements with the Group as such do not meet the criteria for recognition as service concession arrangements.

**4.5 Income taxes**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. Availability of future taxable profits against which tax losses carried forward can be used also involves management judgement. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the Consolidated Financial Statements.

**4.6 Defined benefit obligation (DBO)**

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**4.7 Provisions and Contingencies**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Group as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.





Amount in ₹

**NOTE 5**  
**PROPERTY, PLANT AND EQUIPMENT**

Particulars	Freehold Land	Buildings and Roads	Plant & Equipment [Note (c)]	Hydraulic Works	Transmission Lines, Transformers & Cables, Networks, etc [Note (b)]	Office Equipment	Furniture and Fixtures	Motor Vehicle	Windmill	Total
<b>1. GROSS CARRYING VALUE</b>										
Balance as at 31st March 2017	7,32,17,053	36,91,42,093	69,82,80,656	68,57,76,042	6,32,68,590	14,36,145	45,86,615	52,07,051	10,82,25,444	2,00,91,39,689
Additions/Adjustments	87,69,152	3,57,540	4,04,788	8,54,83,597	-	2,24,400	2,20,301	-	-	9,54,59,778
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2018</b>	<b>8,19,86,205</b>	<b>36,94,99,633</b>	<b>69,86,85,444</b>	<b>77,12,59,639</b>	<b>6,32,68,590</b>	<b>16,60,545</b>	<b>48,06,916</b>	<b>52,07,051</b>	<b>10,82,25,444</b>	<b>2,10,45,99,467</b>
<b>2. ACCUMULATED DEPRECIATION</b>										
Balance as at 31st March 2017	-	2,58,36,996	3,21,98,007	2,72,29,233	30,38,216	6,99,546	12,96,513	16,84,009	77,30,986	9,97,13,506
During the year	-	2,58,42,952	3,18,85,984	3,00,10,888	29,20,363	3,92,449	9,34,951	11,37,835	77,30,986	10,08,56,408
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2018</b>	<b>-</b>	<b>5,16,79,948</b>	<b>6,40,83,991</b>	<b>5,72,40,121</b>	<b>59,58,579</b>	<b>10,91,995</b>	<b>22,31,464</b>	<b>28,21,844</b>	<b>1,54,61,972</b>	<b>20,05,69,914</b>
<b>3. NET CARRYING VALUE as at 31st March 2018 (1-2)</b>	<b>8,19,86,205</b>	<b>31,78,19,685</b>	<b>63,46,01,453</b>	<b>71,40,19,518</b>	<b>5,73,10,011</b>	<b>5,68,550</b>	<b>25,75,452</b>	<b>23,85,207</b>	<b>9,27,63,472</b>	<b>1,90,40,29,553</b>



**NOTE 5**  
**PROPERTY, PLANT AND EQUIPMENT (Contd.)** Amount in ₹

Particulars	Freehold Land	Buildings and Roads	Plant & Equipment [Note (c)]	Hydraulic Works	Transmission Lines, Transformers & Cables, Networks, etc [Note (b)]	Office Equipment	Furniture and Fixtures	Motor Vehicle	Windmill	Total
<b>1. GROSS CARRYING VALUE</b>										
Balance as at 1st April 2016 (Deemed Cost)	7,32,17,053	36,91,42,093	69,49,51,471	68,57,76,042	6,32,68,590	10,73,176	45,20,515	52,07,051	10,82,25,444	2,00,53,81,435
Additions/Adjustments	-	-	33,29,185	-	-	3,62,969	66,100	-	-	37,58,254
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2017</b>	<b>7,32,17,053</b>	<b>36,91,42,093</b>	<b>69,82,80,656</b>	<b>68,57,76,042</b>	<b>6,32,68,590</b>	<b>14,36,145</b>	<b>45,86,615</b>	<b>52,07,051</b>	<b>10,82,25,444</b>	<b>2,00,91,39,689</b>
<b>2. ACCUMULATED DEPRECIATION</b>										
Balance as at 1st April 2016	-	-	-	-	-	-	-	-	-	-
During the year	-	2,58,36,996	3,30,64,097	2,72,29,850	29,20,364	6,99,546	12,96,513	16,84,009	77,30,986	10,04,62,361
Deletions/Adjustments	-	-	8,66,090	617	(1,17,852)	-	-	-	-	7,48,855
<b>Balance as at 31st March 2017</b>	<b>-</b>	<b>2,58,36,996</b>	<b>3,21,98,007</b>	<b>2,72,29,233</b>	<b>30,38,216</b>	<b>6,99,546</b>	<b>12,96,513</b>	<b>16,84,009</b>	<b>77,30,986</b>	<b>9,97,13,506</b>
<b>3. NET CARRYING VALUE as at 31st March 2017 (1-2)</b>	<b>7,32,17,053</b>	<b>34,33,05,097</b>	<b>66,55,75,637</b>	<b>65,85,46,809</b>	<b>6,02,30,374</b>	<b>12,43,611</b>	<b>32,90,102</b>	<b>35,23,042</b>	<b>10,04,94,458</b>	<b>1,90,94,26,183</b>

**Note :**

- The Group has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net carrying amount has been considered as the gross carrying amount on the date of transition. Further, in case of Windmill, due to application of IND AS 17 'Leases' land appurtenant to the windmill is reclassified as an operating lease.
- 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.
- Includes plant and equipment given under operating lease (Refer Note 43)  
Gross Block Nil (as at 31st March, 2017 ₹ 4,745,687) (as at 01st April, 2016 ₹ 5,019,097)  
Accumulated depreciation Nil (as at 31st March, 2017 ₹ 1,050,171) (as at 1st April, 2016 ₹ 273,410)  
Net Block Nil (as at 31st March, 2017 ₹ 3,695,516) (as at 1st April, 2016 ₹ 4,745,687)
- Fixed Asset includes ₹ 1,818,395,805 (as at March 31, 2017: ₹ 1,780,289,929, as at April 1, 2016 : ₹ 1,822,591,898) pertaining to Power Generating plant which in terms of implementation agreement with various authorities will be handed over on completion of effective useful life of the assets in terms of respective agreements.





## NOTE 6

### CAPITAL WORK IN PROGRESS

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital Work In Progress	<u>29,71,24,421</u>	<u>46,93,90,904</u>	<u>2,44,17,91,013</u>
	<u>29,71,24,421</u>	<u>46,93,90,904</u>	<u>2,44,17,91,013</u>

- a) Project survey, geological investigation and formulation of Detailed Project Report (DPR) and other allied works are under progress in respect of the Uttarakhand undertaking. Pending completion of transfer formalities of undertakings in Uttarakhand as stated in Note 8(a), approval of DPR and determination of viability thereof, administrative and other expenses including finance cost incurred by the Uttarakhand subsidiaries aggregating to ₹ 29,71,24,421 as on 31st March, 2018 (Previous year 31st March, 2017 ₹ 29,71,24,421 and as on 1st April, 2016 ₹ 2,30,05,89,814) are being carried forward as pre-operative expenses under Capital Work in Progress in the consolidated financial statements. Adjustments in this respect or allocation thereof to the project cost etc. will be carried out on completion thereof.
- b) Capital work-in-progress includes :
- (i) machinery in stock, inventory of construction / erection materials etc.
- (ii) pre-operative expenditure incurred during implementation of project in terms of (a) above.
- (iii) pre-operative expenditure incurred during IInd Phase of an existing power plant of one of the subsidiaries.

Particulars	As at 31st March 2018 ₹	As at 31st March 2017 ₹
<b>Deemed Cost (as on 1st April, 2016)</b>		2,30,49,38,631
<b>Balance brought forward</b>	<b>30,66,90,852</b>	
Salaries and Wages	–	55,05,208
Rent	–	4,48,907
Rates and Taxes	–	71,592
Legal and Professional Charges	–	39,68,750
Travelling and Conveyance Expenses	–	10,57,495
Project Development Expenses	–	83,671
Service Charges	–	3,23,288
Miscellaneous Expenses	–	5,14,210
<b>Total</b>	<b><u>30,66,90,852</u></b>	<b><u>2,31,69,11,752</u></b>
Less: Capitalised during the year	95,66,431	–
Less: Sale of Subsidiaries [Refer Note 8 (a) & (c)]	–	2,01,02,20,900
<b>Balance Carried forward</b>	<b><u>29,71,24,421</u></b>	<b><u>30,66,90,852</u></b>

## NOTE 7

### OTHER INTANGIBLE ASSETS

Particulars	Computer Software	Unclassified Land & Site	Total
<b>1. GROSS CARRYING VALUE</b>			
Balance as at 31st March, 2017	5,76,824	6,80,38,927	6,86,15,751
Additions/Adjustments	26,250	8,55,40,086	8,55,66,336
Deletions/Adjustments	–	–	–
<b>Balance as at 31st March, 2018</b>	<b><u>6,03,074</u></b>	<b><u>15,35,79,013</u></b>	<b><u>15,41,82,087</u></b>



## NOTE 7

### OTHER INTANGIBLE ASSETS (Contd.)

Amount in ₹

Particulars	Computer Software	Unclassified Land & Site	Total
<b>2. ACCUMULATED AMORTISATION</b>			
Balance as at 31st March, 2017	1,70,104	90,67,950	92,38,054
Amortization Expense during the Year	1,36,186	1,59,58,914	1,60,95,100
Deletions/Adjustments	-	-	-
<b>Balance as at 31st March, 2018</b>	<b>3,06,290</b>	<b>2,50,26,864</b>	<b>2,53,33,154</b>
<b>3. NET CARRYING VALUE as at 31st March, 2018 (1 - 2)</b>	<b>2,96,784</b>	<b>12,85,52,149</b>	<b>12,88,48,933</b>

Particulars	Computer Software	Unclassified Land & Site	Total
<b>1. GROSS CARRYING VALUE</b>			
Balance as at 1st April 2016 (Deemed Cost)	5,76,824	6,80,38,927	6,86,15,751
Additions/Adjustments	-	-	-
Deletions/Adjustments	-	-	-
<b>Balance as at 31st March, 2017</b>	<b>5,76,824</b>	<b>6,80,38,927</b>	<b>6,86,15,751</b>
<b>2. ACCUMULATED AMORTISATION</b>			
Balance as at 1st April, 2016	-	-	-
Amortization Expense during the Year	1,70,104	90,67,950	92,38,054
Deletions/Adjustments	-	-	-
<b>Balance as at 31st March, 2017</b>	<b>1,70,104</b>	<b>90,67,950</b>	<b>92,38,054</b>
<b>3. NET CARRYING VALUE as at 31st March, 2017 (1 - 2)</b>	<b>4,06,720</b>	<b>5,89,70,977</b>	<b>5,93,77,697</b>

#### Note :

- The Group has availed the deemed cost exemption in relation to the Intangible Asset on the date of transition and hence the net carrying amount has been considered as the gross carrying amount on that date.
- Unclassified land and site development comprises of resettlement and rehabilitation compensations (R&R) for use and submergence of adjacent areas and this will be amortised proportionately over the period of 10 years.

## NOTE 8

### NON CURRENT FINANCIAL ASSETS - INVESTMENTS

(At cost/ deemed cost unless otherwise stated)

Amount in ₹

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares	(₹)	No. of Shares	(₹)	No. of Shares	(₹)
<b>Investment in Equity shares of Associate Company (Unquoted)</b>						
(i) Arunachal Hydro Power Limited (FV of ₹ 10/- each fully paid up) [Maximum amount during the year ₹ Nil (Previous Year 31st March, 2017 : ₹ 2,83,41,833)]	35,52,000	-	35,52,000	3,55,20,000	-	-
Add : Share in profit/(loss) in associate upto date of loss of interest in subsidiary	-	-	-	(3,55,20,000)	-	-
Add : Share in profit/(loss) in associate for current year	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Investment in 10% Non Cumulative Redeemable Preference Shares of Associates ( Unquoted )</b>						
(ii) Arunachal Hydro Power Limited (FV of ₹ 100/- each fully paid up) [Maximum amount during the year ₹ 7,92,00,000/- (Previous Year 31st March, 2017: ₹ 7,92,00,000)]	35,88,000	7,92,00,000	35,88,000	7,92,00,000	-	-
		7,92,00,000		7,92,00,000		-



## NOTE 8

### NON CURRENT FINANCIAL ASSETS - INVESTMENTS (Contd.)

(At cost/ deemed cost unless otherwise stated)

Amount in ₹

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares	(₹)	No. of Shares	(₹)	No. of Shares	(₹)
<b>Investment in 10% Cumulative Redeemable Preference Shares of Subsidiaries of (i) above ( Unquoted )</b>						
(iii) EDCL Seppa Rieng Power Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 1,89,83,368/- (Previous Year as on 31st March, 2017: ₹ 1,89,83,368/-)]	84,000	45,56,008	3,50,000	1,89,83,368	-	-
(iv) EDCL Seppa Beyong Hydro Electric Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 2,17,20,000/- (Previous Year as on 31st March, 2017: ₹ 2,17,20,000/-)]	96,000	52,12,800	4,00,000	2,17,20,000	-	-
(v) EDCL Seppa Dunkho Hydro Electric Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 2,17,20,000/- (Previous Year as on 31st March, 2017: ₹ 2,17,20,000/-)]	96,000	52,12,800	4,00,000	2,17,20,000	-	-
(vi) EDCL Seppa Jung Power Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 2,17,20,000/- (Previous Year as on 31st March, 2017 : ₹ 2,17,20,000)]	96,000	52,12,800	4,00,000	2,17,20,000	-	-
(vii) EDCL Seppa Kawa Power Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 2,17,20,000/- (Previous Year as on 31st March, 2017 : ₹ 2,17,20,000/-)]	96,000	52,12,800	4,00,000	2,17,20,000	-	-
(viii) EDCL Seppa Lada Hydro Electric Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 2,17,20,000/- (Previous Year as on 31st March, 2017 : ₹ 2,17,20,000/-)]	96,000	52,12,800	4,00,000	2,17,20,000	-	-
(ix) EDCL Seppa Marjingla Hydro Electric Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 2,17,20,000/- (Previous Year as on 31st March, 2017 : ₹ 2,17,20,000/-)]	96,000	52,12,800	4,00,000	2,17,20,000	-	-
(x) EDCL Seppa Nire Hydro Electric Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 1,08,71,369/- (Previous Year as on 31st March, 2017 : ₹ 1,08,71,369/-)]	48,000	26,09,129	2,00,000	1,08,71,369	-	-
(xi) EDCL Seppa Pachuk Power Private Limited (FV of ₹ 100/- each fully paid up ) [Maximum amount during the year ₹ 2,17,20,000/- (Previous Year as on 31st March, 2017: ₹ 2,17,20,000/-)]	96,000	52,12,800	4,00,000	2,17,20,000	-	-
		4,36,54,737		18,18,94,737		-
<b>Total Investment in Preference shares (A)</b>		<b>12,28,54,737</b>		<b>26,10,94,737</b>		-
<b>Investment through PMS ( Unquoted ) (at Fair Value through Profit and Loss)</b>						
(xii) Sai Rayalaseema Paper Mills Limited (FV of ₹ 10/- each fully paid up ) [Maximum amount during the year ₹ 2,28,542/- (Previous Year as on 31st March, 2017 ₹ 2,28,542/-)]	18,810	2,28,542	18,810	2,28,542	18,810	2,28,542
<b>Total Investment in PMS (B)</b>		<b>2,28,542</b>		<b>2,28,542</b>		<b>2,28,542</b>
<b>Total ( A+B)</b>		<b>12,30,83,279</b>		<b>26,13,23,279</b>		<b>2,28,542</b>
Less : Impairment in value of Investments		-		16,18,000		-
		<b>12,30,83,279</b>		<b>25,97,05,279</b>		<b>2,28,542</b>
<b>Aggregate amount of unquoted investments</b>		<b>12,30,83,279</b>		<b>26,13,23,279</b>		<b>2,28,542</b>
<b>Aggregate Impairment in value of long-term investments</b>				<b>16,18,000</b>		<b>-</b>

#### Note :

- (a) In terms of an agreement dated 9th November, 2015, for transfer of 76% of the Company's investment in various erstwhile wholly owned subsidiaries undertaking hydel power plants in the State of Arunachal Pradesh and Uttarakhand having aggregate capacity of 660 MW approximately (herein referred to as Arunachal Pradesh and Uttarakhand Undertaking respectively), to another strategic investor, certain investments in equity shares of these subsidiaries and preference shares have been sold to the said investor and consequently, Arunachal Hydro



Power Limited (Undertaking in the state of Arunachal Pradesh) has ceased to be a subsidiary of the company and it has become an associate of the Company with effect from 28th March, 2017. Investment to the extent of ₹ 13,82,40,000 [included in (iii) to (xi) above] out of the said 76% holding of the company has been transferred during the year. In terms of the above, company's investment of ₹ 12,28,54,737 as on 31st March 2018 representing 24% in the associate implementing the above projects, being long term and strategic in nature, no diminution in the value thereof is expected to arise in this respect.

- (b) Evaluation of impairment in the value of investment as given in (a) above and loans of ₹ 5,26,67,161 [Refer Note 9 (a)] outstanding from the above associate, pending completion of the project, have not been carried out. Impact in this respect as such, is presently not ascertainable and will be determined depending upon implementation status of the project.
- (c) Consequent to transfer of company's investment in Arunachal Hydro Power Limited as given in (a) above, necessary adjustments in terms of Ind AS-110 and Ind AS-28 has been given in these consolidated financial statements. Profit of ₹ 269,960,613 /- associated with the loss of control has been recognised and included in exceptional items. Accordingly, the assets and liabilities of the said subsidiary and related capital reserve (₹ 153,105,263) on consolidation has been derecognised from the Consolidated Financial Statements during the previous year ended 31st March, 2017. In view of disposal of the investment in the aforesaid subsidiary, the figures of Consolidated Financial Statements for the year ended 31st March, 2018 and 31st March, 2017 are not comparable with corresponding figures of the previous year as at 1st April, 2016.
- (d) Consequent to part transfer of company's investment in undertakings in Uttarakhand as given in (a) above, profit of ₹ 98,000/- arising on such disposal has been recognised and included in exceptional items and related capital reserve on consolidation (₹ 25,566,400 /-) has been derecognised from the Consolidated Financial Statements during the Previous year ended 31st March, 2017.
- (e) In pursuance of Section 187(2)(c) of the Companies Act, 2013, investments purchased [mentioned in (iii, x and xi)] by the Company, during the year are still lying in the name of transferor for want of performance of obligation undertaken by the Company, as per agreement entered with the seller.
- (f) **Summarized financial information of Group's associates :**

Name of the Company	Principal Activity	Country of Incorporation	% holding as at 31st March, 2018	% holding as at 31st March, 2017	% holding as at 1st April, 2016
Arunachal Hydro Power Limited	Power Generation	India	24%	24%	100%

The Group has sold its interest in the above company and thereby the above company which was subsidiary, has become an associate with effect from 28th March, 2017. [Refer Note 8(a) and (c) above]

**Summarised financial information in respect of the Group's associate is set out below. The summarized financial information below represents amounts shown in the associate's financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purpose** (Amount in ₹)

Particulars	As at 31st March 2018	As at 31st March 2017
Non Current assets	2,02,33,34,783	2,02,30,32,012
Current Assets	12,76,464	7,00,435
Non-Current Liabilities	1,83,19,17,220	1,88,06,14,003
Current Liabilities	61,26,62,109	37,28,54,581
<b>Net assets of the associate</b>	<b>(41,99,68,081)</b>	<b>(22,97,36,137)</b>

Particulars	As at 31st March 2018	As at 31st March 2017
Revenue	-	-
Other Income	15,00,500	74,14,159
Profit/(loss) from Continuing Operations	(19,02,31,082)	(18,26,75,131)
Other Comprehensive Income/(Loss) for the year	-	-
Total comprehensive Income/(Loss) for the year	(19,02,31,082)	(18,26,75,131)

**Reconciliation of the above summarised financial information to the carrying amount of the interest in associate recognised in the consolidated financial statement :**

Particulars	As at 31st March 2018	As at 31st March 2017
Net assets of the associate	(41,99,68,081)	(22,97,36,137)
Proportion of the Group's ownership interest in associate (%)	24%	24%
Proportion of the Group's ownership interest in associate (INR)	(10,07,92,339)	(5,51,36,673)
Investment in associate	3,55,20,000	3,55,20,000
Adjustment of the Group's share of loss upto the investment value	(3,55,20,000)	(3,55,20,000)
<b>Group's share in net assets of the associate</b>	<b>-</b>	<b>-</b>
<b>Carrying amount of the groups interest in associate</b>	<b>-</b>	<b>-</b>



In compliance with Ind AS 28, the company has recognised its share of loss in associate only upto the value of investment in that associate. As the company's share of loss in associate during the previous year ended 31st March, 2018 and 31st March, 2017 exceeds the value of investment, investment has been reduced to zero.

- (g) Movement for impairment of Investment :

Particulars	As at 31st March 2018	As at 31st March 2017
	₹	₹
<b>Balance at the beginning of the year</b>	<b>16,18,000</b>	-
Impairment made during the year	-	16,18,000
Adjusted against other financial asset	<b>-16,18,000</b>	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>16,18,000</b>

- (h) The Company has elected to continue with the carrying value of its investments in subsidiaries and associates, measured as per the Previous GAAP and use that carrying value on the transition date April 1, 2016 in terms of Ind AS 101 'First-time Adoption of Indian Accounting Standards.

- (i) **Loss of Control over Subsidiary - Arunachal Hydro Power Limited**

Refer Note 8 (f)

- (a) **Gain/(Loss) on sale of shares of subsidiary**

Particulars	As at March 27, 2017
<b>Consideration received</b>	
Consideration	11,24,80,000
Carrying amount of net assets sold (as detailed below)	(15,74,80,613)
Fair Value of retained investment	-
Gain on sale before income tax (Refer Note 39)	26,99,60,613
Income tax expense on gain	-
<b>Gain on sale after income tax</b>	<b>26,99,60,613</b>

- (b) **The carrying amounts of assets and liabilities as at the date of sale is as follows :**

Particulars	As at March 27, 2017
Property, Plant and Equipment	-
Capital Work-in-Progress	2,01,47,06,079
Other Intangible Assets	-
Non Current Assets	1,00,00,000
Current Assets	6,99,821
<b>Total Assets</b>	<b>2,02,54,05,900</b>
Non Current Liability	2,17,61,30,702
Current Liability	67,55,811
<b>Total Liabilities</b>	<b>2,18,28,86,513</b>
<b>Net Assets</b>	<b>(15,74,80,613)</b>



## NOTE 9

### NON CURRENT ASSETS - LOANS

(At amortised cost)

(Unsecured, considered good)

Particulars	(Amount in ₹)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Loan to employees	-	1,44,800	3,31,800
Loan to Associate (Refer Note (a) & (b) below) (Refer Note 42)	-	5,49,04,675	-
	<u>-</u>	<u>5,50,49,475</u>	<u>3,31,800</u>
(a) Particulars of loans to Associate			
(i) Arunachal Hydro Power Limited	5,26,67,161	5,49,04,675	-
[Maximum amount during the year ₹ 5,97,75,448/- (Previous Year 2016-17 ₹ 5,49,04,675)]			
	<u>5,26,67,161</u>	<u>5,49,04,675</u>	<u>-</u>

(b) Loans to Associate have been given for business purposes. They are repayable in FY 2018-19 and accordingly have been disclosed under Current Financial Asset- Loans (Note 17) as at 31st March, 2018.

## NOTE 10

### OTHER NON CURRENT FINANCIAL ASSETS

(Unsecured, considered good)

Particulars	(Amount in ₹)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security Deposits/Retention Money with Customers	57,42,402	1,06,89,101	90,21,726
Other Security Deposits	35,48,747	31,53,857	29,00,359
On Margin Money Accounts [Refer (a) below] [Refer Note 16 (a)] - (With more than 12 months maturity)	2,47,500	2,47,500	2,47,500
	<u>95,38,649</u>	<u>1,40,90,458</u>	<u>1,21,69,585</u>

(a) Security Deposit with Sales Tax Authorities

## NOTE 11

### NON CURRENT TAX ASSETS (NET)

Particulars	(Amount in ₹)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance Income Tax (Net of provisions)	4,72,71,321	4,41,44,833	5,54,16,723
	<u>4,72,71,321</u>	<u>4,41,44,833</u>	<u>5,54,16,723</u>

## NOTE 12

### OTHER NON CURRENT ASSETS

Particulars	(Amount in ₹)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred Asset – Unamortised Cost of Financial Instruments	18,66,558	41,34,109	54,98,760
Prepayments on Leasehold Land	16,19,261	17,99,261	19,79,261
Capital Advances	-	-	4,50,580
Receivable from Gratuity Fund	8,02,000	8,91,000	-
	<u>42,87,819</u>	<u>68,24,370</u>	<u>79,28,601</u>





## NOTE 13

### INVENTORIES (At Lower of Cost and Market Value)

(As taken, valued and certified by the management)

Particulars	(Amount in ₹)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Contract work-in-progress	1,06,72,462	91,97,042	94,57,791
Goods in transit	1,17,234	2,69,663	14,88,886
Stores, Spares and Consumables	28,23,229	29,53,146	28,58,920
	<u>1,36,12,925</u>	<u>1,24,19,851</u>	<u>1,38,05,597</u>

## NOTE 14

### TRADE RECEIVABLES

(Unsecured, considered good)

Particulars	(Amount in ₹)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Outstanding for a period of more than six months	27,84,89,053	33,49,40,531	5,37,78,225
Other Debts	<u>10,83,07,155</u>	<u>12,02,95,164</u>	<u>28,84,96,932</u>
	<u>38,67,96,208</u>	<u>45,52,35,695</u>	<u>34,22,75,157</u>
<b>(Unsecured, considered doubtful)</b>			
Outstanding for a period of more than six months	12,80,391	12,80,391	12,80,391
Less: Impairment for doubtful receivables	<u>12,80,391</u>	<u>12,80,391</u>	<u>12,80,391</u>
	-	-	-
	<u>38,67,96,208</u>	<u>45,52,35,695</u>	<u>34,22,75,157</u>

- Trade receivables ₹ 26,67,420/- (Previous year as on 31st March, 2017; ₹ 1,52, 91,660/- and as on 1st April, 2016 ₹ Nil) in respect of sale of power from generation by 6MW Harangi-II SHP are subject to a charge in favour of lenders of one of the subsidiaries.

### Age of Receivable

Particulars	(Amount in ₹)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Within Credit period	10,04,43,203	8,41,55,952	25,06,61,217
1-180 days past due	78,63,952	3,61,39,212	3,78,35,715
181 days- 1 year past due	1,28,86,140	7,29,48,430	71,37,795
more than 1 year past due	26,68,83,305	26,32,72,491	4,79,20,822
<b>Total</b>	<u>38,80,76,600</u>	<u>45,65,16,085</u>	<u>34,35,55,549</u>

### Movement for impairment of doubtful receivables

Particulars	(Amount in ₹)	
	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	12,80,391	12,80,391
Addition in expected credit loss allowance	-	-
Write back during the year	-	-
<b>Balance at the end of the year</b>	<u>12,80,391</u>	<u>12,80,391</u>

## NOTE 15

### CASH AND CASH EQUIVALENTS

Particulars	(Amount in ₹)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balance with Banks			
- on Current Accounts	1,30,26,095	1,57,92,801	4,99,04,006
- on Fixed deposit accounts	4,19,52,000	-	-
Cash on hand	<u>2,67,726</u>	<u>2,08,703</u>	<u>12,13,472</u>
	<u>5,52,45,821</u>	<u>1,60,01,504</u>	<u>5,11,17,478</u>



## NOTE 16

### BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

Particulars	(Amount in ₹)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
on Unpaid Dividend Account	7,42,317	6,95,657	7,20,663
on Margin Money Accounts (Refer (a) below) (with less than 12 months maturity)	3,45,93,498	5,69,30,474	3,92,30,000
	<u>3,53,35,815</u>	<u>5,76,26,131</u>	<u>3,99,50,663</u>

(a) Margin money are deposited with banks against bank guarantees and Letter of Credit issued.

## NOTE 17

### CURRENT ASSET - LOANS

(Unsecured, considered good)

Particulars	(Amount in ₹)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Loan to Associate (Refer Note 9 and 42)	5,26,67,161	-	-
Loan to employees (Refer Note 9)	5,08,786	2,60,369	4,19,603
	<u>5,31,75,947</u>	<u>2,60,369</u>	<u>4,19,603</u>

## NOTE 18

### OTHER CURRENT FINANCIAL ASSETS

Particulars	(Amount in ₹)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Gross Receivable against Sale of Shares	49,94,51,600	60,62,11,600	17,00,000
Less: Impairment in value of Investments	16,18,000	-	-
Net Receivable against Sale of Shares	49,78,33,600	60,62,11,600	17,00,000
Security Deposits/Retention Money with customers	64,24,613	-	-
Interest Receivable	75,47,768	62,61,736	54,14,718
Other Security deposits	27,27,019	27,73,016	27,23,016
Other Advances (Refer (a) below)	7,03,809	7,78,725	31,54,473
	<u>51,52,36,809</u>	<u>61,60,25,077</u>	<u>1,29,92,207</u>

(a) Includes ₹ Nil (Previous Year as on 31st March, 2017 ₹ 3,174/- & as on 1st April, 2016 : ₹ 75,643/-) recoverable from other related parties (Refer Note 42)

## NOTE 19

### OTHER CURRENT ASSETS

(Unsecured, considered good)

Particulars	(Amount in ₹)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balance with Government authorities	33,04,038	2,48,389	29,44,991
Advance to suppliers	1,85,55,639	1,87,14,308	1,89,28,631
Prepayments on Leasehold Land	1,80,000	1,80,000	1,80,000
Prepaid expenses	13,40,608	39,27,157	45,19,552
Deferred Asset - Unamortised Cost of Financial Instruments	6,94,162	-	-
Other Advances	13,26,127	11,73,400	8,76,411
	<u>2,54,00,574</u>	<u>2,42,43,254</u>	<u>2,74,49,585</u>



**NOTE 20**  
**EQUITY SHARE CAPITAL**

Particulars	(Amount in ₹)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Authorised</b>			
5,00,00,000 (Previous Year as on 31st March, 2017: 5,00,00,000 & as on 1st April, 2016 : 5,00,00,000) Equity shares of ₹ 10/- each	50,00,00,000	50,00,00,000	50,00,00,000
	<u>50,00,00,000</u>	<u>50,00,00,000</u>	<u>50,00,00,000</u>
<b>Issued, Subscribed and Paid-up</b>			
4,75,00,000 (Previous Year as on 31st March, 2017: 4,75,00,000 & as on 1st April, 2016 : 4,75,00,000) Equity shares of ₹ 10/- each fully paid up	47,50,00,000	47,50,00,000	47,50,00,000
	<u>47,50,00,000</u>	<u>47,50,00,000</u>	<u>47,50,00,000</u>

Reconciliation of number and amount of equity shares outstanding :		No. of Shares	No. of Shares
At the beginning of the year		4,75,00,000	4,75,00,000
Add : Issued during the year		-	-
<b>At the end of the year</b>		4,75,00,000	4,75,00,000

Shareholders holding more than 5% of equity shares	No. of shares (%)	No. of shares (%)	No. of shares (%)
Sterlite Merchants LLP	-	-	1,35,62,084 (28.55%)
Sarvottam Caps Private Limited	1,18,00,000 (24.84%)	1,18,00,000 (24.84%)	1,18,00,000 (24.84%)
Mr. Amar Singh	1,04,58,453 (22.02%)	14,58,453 (3.07%)	14,58,453 (3.07%)
Mrs. Pankaja Kumari Singh	29,36,414 (6.18%)	4,68,938 (0.99%)	4,68,938 (0.99%)
Shivmangal Securities Pvt Ltd. (*)	-	1,14,67,476 (24.14%)	-

(\*) Held by clearing member due for transfer to Mr. Amar Singh and Mrs. Pankaja Kumari Singh increasing their shareholding to 1,04,58,453 shares (22.02%) and 29,36,414 shares (6.18%) respectively.

**Rights, Preferences and Restrictions attached to each classes of shares including restrictions on the distribution of dividends and the repayment of capital.**

- 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.
- The Board of Directors has recommended payment of dividend @ 5% (₹ 0.50) per equity share on the paid-up share capital of the company for the financial year 2017-18 subject to approval of members at the ensuing Annual General Meeting.

**NOTE 21**  
**OTHER EQUITY**

Particulars	(Amount in ₹)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital Reserve	14,91,65,345	14,91,65,345	14,91,65,345
Capital Reserve on Consolidation	1,55,28,293	1,55,28,293	19,41,99,956
Securities premium reserve	59,00,00,000	59,00,00,000	59,00,00,000
General reserve	22,88,636	22,88,636	22,88,636
Retained Earnings	(14,73,52,579)	(32,14,442)	1,01,20,870
<b>Total</b>	<u>60,96,29,695</u>	<u>75,37,67,831</u>	<u>94,57,74,807</u>

Refer Statement of Changes in Equity (SOCE) for movement of changes in reserves.



## Capital Reserve

### Capital Reserve includes:

- (a) ₹ 124,000,000 ( as at 31st March, 2017 ₹ 148,000,000, as at 1st April, 2016 ₹ 148,000,000) representing the reserves arising on forfeiture of 75,00,000 share warrants issued on preferential basis.
- (b) ₹ 1,165,345 (as at 31st March, 2017 ₹ 1,165,345, as at 1st April, 2016 : ₹ 1,165,345) representing reserves arising on amalgamation pursuant to the scheme of arrangement with erstwhile Dhanashree Projects Limited. The said scheme was sanctioned by the Honorable High Court of Bangalore and Kolkata vide order dated August 12, 2010 and September 15, 2010 respectively.
- (c) ₹ 24,000,000 (as at 31st March, 2017 ₹ 24,000,000, as at 1st April, 2016 : ₹ 24,000,000) representing subsidy received from Ministry of New and Renewable Energy, Government of India in one of the subsidiary for setting up of Ullankal Small Hydro Power Project.

### Capital Reserve on Consolidation :

Refer Note 3.1

### Securities Premium Reserve :

Securities Premium Reserve represents the amount received in excess of par value of equity shares issued by the company and is to be utilised for as specified under Section 52 of Companies Act, 2013.

### General Reserve :

The general reserve is created from time to time by appropriating profits from retained earnings. The general reserve is created by a transfer from one component of equity to another and accordingly it is not reclassified to the Statement of profit and loss.

### Retained earnings :

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company. Any actuarial gains and losses arising on defined benefit obligations have been recognised in retained earnings.

## NOTE 22

### NON CONTROLLING INTEREST

Particulars	(Amount in ₹)	
	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	(67,15,372)	—
Non controlling interest on disposal (*)	—	—
Share of profit for the year	(1,46,85,801)	(67,15,372)
<b>Total</b>	<b>(2,14,01,172)</b>	<b>(67,15,372)</b>

(\*) Disposal of partial interest in subsidiary leading to loss of control as detailed below.

## NOTE 23A

### NON CURRENT BORROWINGS

Repayment Date	(Amount in ₹)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Secured</b>			
(i) Term Loan from Indian Renewable Energy Development Agency Ltd. (IREDA) [Refer Note 23A(I)(a), (b) & (c) below]	87,22,96,792	83,89,99,878	83,89,99,878
<b>Unsecured</b>			
(ii) Non Cumulative Redeemable Preference Share Capital [Refer Note 23A(III)]	23,64,20,878	23,47,04,355	1,50,77,71,745
(iii) Loan from Related Parties [Refer Note 23A(IV)]	23,99,50,000	18,49,50,000	12,00,00,000
(iv) Loan from Others			
From Bodies Corporate [Refer Note 23A(IV)]	20,00,00,000	22,93,06,000	22,25,00,000
	<b>1,54,86,67,670</b>	<b>1,48,79,60,233</b>	<b>2,68,92,71,623</b>



## Terms of Repayment

### (I) Secured

- a) Secured by all the immovable and movable assets/properties, both present and future, wherever situated, pertaining to the 15 MW Karikayam SHP of the company and charge on the entire receivables of the 6 MW Harangi - II SHP of the holding company. The holding company has pledged its investment of 3,00,00,000 equity shares and 2,20,00,000 preference shares of one of the subsidiaries and has given corporate guarantee in respect of the aforesaid loan.
- b) As on the balance sheet date, the company has defaulted in repayment of principal amount for the following installments :

Repayment Date	(Amount in ₹)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
31st December, 2015	-	-	2,37,50,000
31st March, 2016	-	-	2,37,50,000
31st March, 2018	1,74,34,500	-	-

However, the above due dates for repayment were revised subsequent to the relevant period mentioned above. There has been a further revision in due dates for repayment during the year and in the previous year as given in (c) below.

Further, as on the balance sheet date, the company has defaulted in payment of interest amount of ₹ 2,52,61,341/- payable on 31st March 2017 pertaining to the last quarter of the financial year. However out of the aforesaid amount ₹ 2,12,89,356/- has been paid subsequent to the year end.

- c) The loan of ₹ 95 crores [Outstanding Balance as on 31st March 2018 ₹ 90,39,34,508/- (Including ₹ 3,16,37,708/- under other current liabilities as current maturities of long term debt)] is repayable in 17 years beginning with installment of ₹ 7,909,427/- with effect from 30th June 18 and thereafter in quarterly installments as per the Schedule given below. Interest rate as on 31st March 2018 is 11.70%.

Maturity Profile of the principal amount :	(Amount in ₹)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
2016-17	-	-	6,35,00,000
2017-18	-	6,35,00,000	7,88,00,000
2018-19	3,16,37,708	7,88,00,000	7,88,00,000
2019-20	3,38,97,544	7,88,00,000	7,88,00,000
2020-21	3,61,57,380	7,88,00,000	7,88,00,000
2021-22	4,06,77,052	7,88,00,000	7,88,00,000
2022-23	4,06,77,052	7,88,00,000	7,88,00,000
2023-24	4,74,56,560	7,88,00,000	7,88,00,000
2024-25	5,19,76,232	7,88,00,000	7,88,00,000
2025-26	5,42,36,072	7,88,00,000	7,88,00,000
2026-27	5,42,36,072	7,88,00,000	7,88,00,000
2027-28	5,87,55,744	7,88,00,000	5,09,99,878
2028-29	5,87,55,744	5,09,99,878	-
2029-30	5,87,55,744	-	-
2030-31	6,10,15,580	-	-
2031-32	6,32,75,416	-	-
2032-33	6,32,75,416	-	-
2033-34	7,23,14,760	-	-
2034-35	7,68,34,432	-	-
<b>Total</b>	<b>90,39,34,508</b>	<b>90,24,99,878</b>	<b>90,24,99,878</b>

- (II) Secured by hypothecation of entire stocks and other movables of the company including all movable Plant and Machinery, Furniture and Fixtures, Vehicles, Computers and other accessories etc. stored or to be stored, at the premises / godowns of the company's contract division and also all present and future book debts, outstanding monies, receivables, claims, bills etc. and equitable mortgage of immovable properties at 9MW Harangi Hydro Electric Project.



(III) The above balance of Preference shares are issued by the following four subsidiaries which are repayable to the holders outside the Group.  
(Amount in ₹)

Name of the Company	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
EDCL Power Projects Limited	1,60,20,878	1,43,04,355	1,27,71,745
Eastern Ramganga Valley Hydel Projects Company Private Limited	13,68,00,000	13,68,00,000	-
Sarju Valley Hydel Projects Company Private Limited	8,36,00,000	8,36,00,000	-
Arunachal Hydro Power Limited	-	-	1,49,50,00,000
<b>Total</b>	<b>23,64,20,878</b>	<b>23,47,04,355</b>	<b>1,50,77,71,745</b>

Redeemable preference shares would carry 10%/8% fixed dividend on cumulative basis on outstanding unredeemed portion of the amount. In the event of liquidation of the subsidiary 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 subsidiaries is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(IV) Unsecured

Terms of Repayment

These loans are repayable in the financial year 2019-20. Rate of Interest, wherever applicable, is 12%.

**NOTE 23B**

**CURRENT BORROWINGS (Repayable on Demand)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Secured			
Cash Credit from Bank [Refer Note 23A(II) above]	7,33,30,269	9,66,41,776	6,31,55,932
(b) Unsecured			
From Bodies Corporate [Refer Note 23A(IV) above]	1,46,397	1,22,07,425	-
	<b>7,34,76,666</b>	<b>10,88,49,201</b>	<b>6,31,55,932</b>

**NOTE 24**

**NON CURRENT PROVISIONS**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Provision for Employee benefits</b>			
Provision for Leave Encashment	30,14,000	27,48,000	42,23,000
Provision for Gratuity	6,76,000	-	15,58,000
	<b>36,90,000</b>	<b>27,48,000</b>	<b>57,81,000</b>

**NOTE 25**

**DEFERRED TAX LIABILITIES (NET)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred Tax Liabilities (*)	6,48,16,214	3,55,19,126	4,80,83,826
Deferred Tax Assets (*)	(3,79,46,157)	(3,27,49,138)	(3,91,95,621)
	<b>2,68,70,057</b>	<b>27,69,988</b>	<b>88,88,205</b>





Changes in Deferred Tax Balance for the year 2017-18 :

(Amount in ₹)

Particulars	As at 31.03.2017	Charge/ (Credit) in Statement of Profit and Loss	Charge/ (Credit) in OCI	Other Adjustment	As at 31.03.2018
<b>Deferred Tax Liabilities</b>					
Fair valuation of Financial Liabilities	5,66,17,876	2,75,39,698	-	-	8,41,57,574
	<b>5,66,17,876</b>	<b>2,75,39,698</b>	-	-	<b>8,41,57,574</b>
<b>Deferred Tax Assets</b>					
Unused tax Credit	3,27,15,860	83,93,147	-	(34,43,180)	3,76,65,827
Expenses allowable on payment basis under Income Tax Act, 1961	34,17,025	5,31,884	4,07,667	-	35,41,243
Impairment on Financial Asset	8,87,739	(14,684)	-	-	8,73,055
Property, Plant & Equipment	1,14,83,845	7,95,590	-	-	1,22,79,434
Brought Forward Losses	33,278	7,212	-	-	40,490
Fair Valuation of Financial Assets	53,10,141	(24,22,673)	-	-	28,87,468
	<b>5,38,47,888</b>	<b>72,90,476</b>	<b>4,07,667</b>	<b>(34,43,180)</b>	<b>5,72,87,517</b>
<b>Net Deferred Tax Liabilities/(Assets) (as per (a) below)</b>	<b>27,69,988</b>	<b>2,02,49,222</b>	<b>4,07,667</b>	<b>34,43,180</b>	<b>2,68,70,057</b>

Changes in Deferred Tax Balance for the year 2016-17 :

(Amount in ₹)

Particulars	As at 01.04.2016	Charge/ (Credit) in Statement of Profit and Loss	Charge/ (Credit) in OCI	Other Adjustment	As at 31.03.2017
<b>Deferred Tax Liabilities</b>					
Fair valuation of Financial Liabilities	5,67,78,073	41,73,529	-	(43,33,727)*	5,66,17,876
	<b>5,67,78,073</b>	<b>41,73,529</b>	-	<b>(43,33,727)</b>	<b>5,66,17,876</b>
<b>Deferred Tax Assets</b>					
Unused tax Credit	3,80,15,860	(53,00,000)	-	-	3,27,15,860
Expenses allowable on payment basis under Income Tax Act, 1961	33,55,688	5,80,427	5,19,089	-	34,17,025
Impairment on Financial Asset	3,95,641	4,92,098	-	-	8,87,739
Property, Plant & Equipment	(8,63,808)	1,23,47,652	-	-	1,14,83,845
Brought Forward Losses	-	33,278	-	-	33,278
Fair Valuation of Financial Assets	69,86,487	(16,76,346)	-	-	53,10,141
	<b>4,78,89,868</b>	<b>64,77,109</b>	<b>5,19,089</b>	-	<b>5,38,47,888</b>
<b>Net Deferred Tax Liabilities/(Assets) (as per (a) below)</b>	<b>88,88,205</b>	<b>(23,03,580)</b>	<b>5,19,089</b>	<b>(43,33,727)</b>	<b>27,69,988</b>

Note :

\* During the previous year 2016-2017, Energy Development Company Limited sold 76% of it's holding in Arunachal Hydro Power Limited leading to loss of interest in that company. The same has resulted in reversal of deferred tax liability of that Company.



a) Deferred Tax Assets and Liabilities have been adjusted when these pertain to the same legal entity and thereby net deferred tax assets/liabilities have been disclosed as follows : (Amount in ₹)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Consolidated Net Deferred Tax Liabilities	4,55,28,925	2,83,56,090	4,80,83,826
Consolidated Net Deferred Tax Asset	(1,86,58,869)	(2,55,86,102)	(3,91,95,621)
<b>Consolidated Net Deferred Tax Liabilities/(Assets)</b>	<b>2,68,70,056</b>	<b>27,69,988</b>	<b>88,88,205</b>

## NOTE 26

### TRADE PAYABLES

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Payables for goods and services			
- Dues to Micro and Small Enterprises	-	-	-
- Dues to Others [Refer (c) below]	20,82,78,902	31,26,60,590	25,59,52,461
	<b>20,82,78,902</b>	<b>31,26,60,590</b>	<b>25,59,52,461</b>

- a) The Group 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.
- b) Payables for goods and services includes acceptances amounting to ₹ 8,41,09,175/- (Previous Year as on 31st March, 2017: ₹ 18,09,06,500 /- & as on 1st April, 2016 : ₹ 10,00,75,310/-).
- (c) Includes ₹ 86,900 (Previous Year as on 31st March 2017 : ₹ 1,17,634/- & as on 1st April, 2016 : ₹ NIL/- ) payable to other related parties (Refer Note 42).

## NOTE 27

### OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current maturities of long-term debt :			
Term Loan from IREDA [Refer Note 23A(I) (a) & (c)]	3,16,37,708	6,35,00,000	6,35,00,000
Others	37,47,139	-	-
Payable towards Purchase of Investments	39,98,81,369	42,78,81,369	19,86,81,369
Advance against Sale of Investments	-	16,00,00,000	10,00,00,000
Advance against Sale of Shares (Secured) [Refer (a) below]	54,000	54,000	-
Interest accrued and due on borrowings			
- Related parties (Refer Note 42)	6,59,39,487	4,07,57,216	2,36,26,078
- Others	1,46,12,993	4,52,56,283	78,91,395
	<b>8,05,52,480</b>	<b>8,60,13,499</b>	<b>3,15,17,473</b>
Interest accrued and due on Others	1,91,94,499	1,57,63,470	1,23,32,379
Interest on preference shares	4,40,80,000	2,20,40,000	14,95,00,000
Unpaid Dividends [Refer (b) below]	7,42,317	6,95,657	7,20,663
Capital Vendor	95,05,117	55,75,391	75,47,830
Other Payables	91,74,342	29,70,723	29,66,415
	<b>59,85,68,971</b>	<b>78,44,94,109</b>	<b>56,67,66,197</b>

#### Note :

- (a) Advance received against pledge of 2700 (out of 5100) equity shares held in Eastern Ramganga Hydrel Project Company Private Limited and 2700 (out of 5100) equity shares held in Sarju Valley Hydrel Project Company Private Limited with other investors of the subsidiaries till transfer of pledged shares as per agreement mentioned in Note 8 (a).
- (b) As at the year end there are no amounts due for payment to the investor education and protection fund u/s 125 of the Companies Act, 2013.

**NOTE 28****OTHER CURRENT LIABILITIES**

Particulars	(Amount in ₹)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance from customers and others	6,66,80,341	6,66,80,341	4,69,90,885
Statutory Payables	78,38,278	95,28,344	2,13,01,871
Other Payables	53,667	1,86,814	1,55,759
	<u>7,45,72,286</u>	<u>7,63,95,499</u>	<u>6,84,48,515</u>

**NOTE 29****CURRENT PROVISIONS**

Particulars	(Amount in ₹)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Provision for Employee benefits</b>			
Provision for Leave Encashment	16,35,000	18,73,000	8,35,000
Provision for Gratuity	-	18,000	-
	<u>16,35,000</u>	<u>18,91,000</u>	<u>8,35,000</u>

**NOTE 30****REVENUE FROM OPERATIONS**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
	Sale of Products	
- Hydro power [Refer (b) below]	30,85,52,897	20,83,54,263
- Wind power	1,88,25,433	2,17,65,096
- Construction contracts	1,26,07,358	4,32,32,883
- Traded goods	24,14,48,206	83,04,40,675
	<u>58,14,33,894</u>	<u>1,10,37,92,917</u>
Sale of Services	1,76,24,500	5,02,27,000
	<u>1,76,24,500</u>	<u>5,02,27,000</u>
	<u>59,90,58,394</u>	<u>1,15,40,19,917</u>

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

- Hydro power	86.74 m.u.	60.32 m.u.
- Wind power	5.54 m.u.	6.39 m.u.

(b) Revenue from sale of power, is accounted for on the basis of billing to Electricity Boards of respective states as per tariff approved by Regulatory Commission in accordance with the provisions of the Long Term Power Purchase Agreement (LTPPA), executed in this respect.

(c) In respect of one of the subsidiaries, the power purchase agreement (PPA) with the Kerala State Electricity Board (KSEB) was signed as approved by Kerala State Electricity Regulatory Commission (KSERC) in earlier years. However, the tariff has been provisionally approved @ ₹ 4.16 per unit subject to determination of cost of projects and Capacity Utilisation Factor (CUF). Necessary adjustments, if any, arising out of variation in tariff shall be carried out on finalisation of approval thereof.



**NOTE 31  
OTHER INCOME**

Particulars	(Amount in ₹)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Rent Income	–	3,00,000
Liability & Provision no longer required written back	2,19,154	9,45,245
Insurance Claim Received	42,95,909	9,23,624
Interest income on Financial Assets at amortised cost	1,41,28,566	66,28,097
Fair value adjustment for prepayment of loan	16,61,317	–
Miscellaneous income	5,06,876	4
	<u>2,08,11,822</u>	<u>87,96,970</u>

**NOTE 32  
COST OF MATERIALS CONSUMED**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
	Cost of Material Consumed	75,20,560
	<u>75,20,560</u>	<u>2,88,38,274</u>

**NOTE 33  
PURCHASE OF STOCK-IN-TRADE**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
	Purchase of Stock-In-Trade [Refer Note below]	23,44,10,436
	<u>23,44,10,436</u>	<u>82,04,81,291</u>

**Note :**

Tin Metals (Imported)	–	26,45,57,931
Solar Photovoltaic Module (Indigneous)	23,44,10,436	55,59,23,360
	<u>23,44,10,436</u>	<u>82,04,81,291</u>

**NOTE 34  
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
	Opening stock of Contract Work-in-Progress	91,97,042
Less :Closing stock of Contract Work-in-Progress	1,06,72,462	91,97,042
<b>(Increase)/ decrease in Inventories</b>	<u>(14,75,420)</u>	<u>2,60,749</u>

**NOTE 35  
EMPLOYEE BENEFITS EXPENSES**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
	Salaries & Wages	4,56,94,046
Contribution to Provident and other Funds	28,25,313	28,14,255
Staff welfare expenses	36,65,226	46,71,704
	<u>5,21,84,585</u>	<u>5,26,23,023</u>

As per Indian Accounting Standard 19 "Employee Benefits" the disclosure of Employee Benefits as defined in the Standards are given below :

**A) Defined Contribution Scheme :**

Contribution to defined contribution schemes, recognised for the year are as under :

(Amount in ₹)

Particulars	31st March, 2018	31st March, 2017
Employer's contribution to Provident Fund	2,15,400	2,24,792
Employer's contribution to Pension Fund	4,88,569	5,10,170
<b>Total</b>	<b>7,03,969</b>	<b>7,34,962</b>

**B) 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 recognises 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 recognised in the same manner as Gratuity

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
<b>i) Change in the fair value of the defined benefit obligation:</b>			
<b>Gratuity (Funded)</b>			
Liability at the beginning of the year	90,82,000	1,08,20,000	97,54,000
Interest Cost	6,23,000	6,96,000	7,62,000
Service Cost	8,33,000	10,67,000	13,52,000
Past Service Cost	12,92,000	–	–
Acquisition adjustment	–	(19,85,000)	(5,39,000)
Actuarial (gain) / loss on obligations	(7,84,000)	(15,16,000)	(5,09,000)
Benefits paid	(26,53,000)	–	–
<b>Liability at the end of the year</b>	<b>83,93,000</b>	<b>90,82,000</b>	<b>1,08,20,000</b>
<b>Leave Encashment (Unfunded)</b>			
Liability at the beginning of the year	46,21,000	50,57,000	47,81,000
Interest Cost	3,18,000	3,27,000	3,65,000
Current Service Cost	4,49,000	7,25,000	9,15,000
Acquisition adjustment	–	(7,28,000)	1,000
Actuarial (gain) / loss on obligations	(4,88,000)	(6,97,000)	(8,04,000)
Benefits paid	(2,51,000)	(63,000)	(2,01,000)
<b>Liability at the end of the year</b>	<b>46,49,000</b>	<b>46,21,000</b>	<b>50,57,000</b>
<b>ii) Changes in the Fair Value of Plan Asset</b>			
<b>Gratuity (Funded)</b>			
Fair value of Plan Assets at the beginning of the year	99,55,000	92,62,000	66,77,000
Interest Income	6,88,000	5,90,000	6,17,000
Acquisition Adjustment	–	–	(4,60,000)
Contributions by the Company	–	–	23,05,000
Benefits paid	(26,33,000)	–	–
Actuarial gain / (loss) on Plan Assets	5,09,000	1,03,000	1,23,000
<b>Fair value of Plan Assets at the end of the year</b>	<b>85,19,000</b>	<b>99,55,000</b>	<b>92,62,000</b>
<b>iii) Amount Recognized in Balance Sheet</b>			
<b>Gratuity (Funded)</b>			
Liability at the end of the year	83,93,000	90,82,000	1,08,20,000
Fair value of Plan Assets at the end of the year	85,19,000	99,55,000	92,62,000
<b>Liability/(Assets) recognised in the Balance Sheet</b>	<b>(1,26,000)</b>	<b>(8,73,000)</b>	<b>15,58,000</b>



Particulars	31st March, 2018	31st March, 2017	1st April, 2016
<b>Leave Encashment (Unfunded)</b>			
Liability at the end of the year	46,49,000	46,21,000	50,57,000
Fair value of Plan Assets at the end of the year	–	–	–
<b>Liability/(Assets) recognised in the Balance Sheet</b>	<b>46,49,000</b>	<b>46,21,000</b>	<b>50,57,000</b>
<b>iv) Components of Defined Benefit Cost</b>			
<b>Gratuity (Funded)</b>			
Service Cost	8,33,000	10,67,000	
Past Service Cost	12,92,000	–	
Interest Cost	6,23,000	6,96,000	
Interest Income on Plan Asset	(6,88,000)	(5,90,000)	
Net Actuarial (gain) / loss on remeasurement recognised in OCI	(12,93,000)	(16,19,000)	
<b>Total Defined Benefit Cost recognised in Profit and Loss and OCI</b>	<b>7,67,000</b>	<b>(4,46,000)</b>	
<b>Leave Encashment (Unfunded)</b>			
Current Service Cost	4,49,000	7,25,000	
Interest Cost	3,18,000	3,27,000	
Interest Income on Plan Asset	–	–	
Net Actuarial (gain) / loss on remeasurement recognised in OCI	(4,88,000)	(6,97,000)	
<b>Total Defined Benefit Cost recognised in Profit and Loss and OCI</b>	<b>2,79,000</b>	<b>3,55,000</b>	
<b>v) Balance Sheet Reconciliation</b>			
<b>Gratuity (Funded)</b>			
Opening Net Liability	(8,73,000)	15,58,000	30,77,000
Expenses as above	7,67,000	(4,46,000)	8,65,000
Acquisition Cost	–	(19,85,000)	(79,000)
Employers Contribution	–	–	(23,05,000)
<b>Amount Recognized in Balance Sheet</b>	<b>(1,06,000)</b>	<b>(8,73,000)</b>	<b>15,58,000</b>
<b>Leave Encashment (Unfunded)</b>			
Opening Net Liability	46,32,000	50,68,000	47,81,000
Expenses as above	2,79,000	3,55,000	4,87,000
Acquisition cost	–	(7,28,000)	1,000
Benefits Paid	(2,51,000)	(63,000)	(2,01,000)
<b>Amount Recognized in Balance Sheet</b>	<b>46,60,000</b>	<b>46,32,000</b>	<b>50,68,000</b>
<b>vi) Principal Actuarial assumptions as at the Balance Sheet date</b>			
Discount Rate	7.60%	7.20%	7.90%
Salary Increase	7%	7%	10%
Mortality Rate	IALM (2006-2008) Ult	IALM (2006-2008) Ult	IALM (2006- 2008) (Modified)
Retirement Age (years)	60	60	60
Rate of Return on Plan Assets	9%	9%	9%





Particulars	(Amount in ₹)	
	31st March, 2018	31st March, 2017
<b>vii) Recognised in Other Comprehensive Income:</b>		
<b>Gratuity (Funded)</b>		
Acturial gain/(loss) arising from :		
- Change in Financial Assumptions	(3,81,000)	(22,30,000)
- Change in Experience Adjustments	(4,04,000)	7,14,000
Return on Plan Assets (greater)/less than discount Rate	(5,09,000)	(1,03,000)
Acturial gain/(loss) recognised in Other Comprehensive Income	<u>(12,94,000)</u>	<u>(16,19,000)</u>
	<b>31st March, 2018</b>	<b>31st March, 2017</b>
<b>Gratuity (Funded)</b>		
Current Liability (within 12 months)		
Non- Current Liability	-	18,000
	<b>(1,26,000)</b>	<b>(8,91,000)</b>
<b>Leave Encashment (Unfunded)</b>		
Current Liability (within 12 months)	<b>16,35,000</b>	18,73,000
Non- Current Liability	<b>30,14,000</b>	27,48,000
	<b>31st March, 2018</b>	<b>31st March, 2017</b>
<b>Sensitivity analysis (Refer Note b below)</b>		
<b>Gratuity (Funded)</b>		
<b>For the year ended:</b>		
Discount Rate		
+1%	(8,39,000)	(11,00,000)
-1%	10,10,000	13,20,000
Salary Growth Rate		
+1%	9,65,000	12,09,000
-1%	(8,50,000)	(10,24,000)
<b>Leave Encashment (Unfunded)</b>		
<b>For the year ended:</b>		
Discount Rate		
+1%	(3,53,000)	(4,64,000)
-1%	4,32,000	5,75,000
Salary Growth Rate		
+1%	4,29,000	5,67,000
-1%	(3,57,000)	(4,70,000)
The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.		
	<b>31st March, 2018</b>	<b>31st March, 2017</b>
<b>Estimate of expected benefit payments (In absolute terms i.e. undiscounted) (Refer Note b below)</b>		
<b>Gratuity (Funded)</b>		
Within 1 year	<b>31,47,000</b>	25,26,000
1-2 year	<b>6,34,000</b>	3,90,000
2-3 year	<b>4,46,000</b>	6,37,000
3-4 year	<b>70,000</b>	4,49,000
4-5 year	<b>2,14,000</b>	72,000
5-10 years	<b>32,43,000</b>	33,06,000



	(Amount in ₹)	
	31st March, 2018	31st March, 2017
<b>Leave Encashment (Unfunded)</b>		
Within 1 year	18,17,000	17,76,000
1-2 year	2,54,000	94,000
2-3 year	1,72,000	2,56,000
3-4 year	28,000	1,79,000
4-5 year	66,000	27,000
5-10 years	9,99,000	10,16,000
<b>Estimate of expected employer contribution (Refer Note b below)</b>		
<b>Energy Development Company Limited</b>		
<b>Particulars</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
<b>Gratuity (Funded)</b>		
Within 1 year	6,33,000	N/A
<b>Leave Encashment (Unfunded)</b>		
Within 1 year	N/A	N/A
<b>EDCL Power Projects Limited</b>		
<b>Particulars</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
<b>Gratuity (Funded)</b>		
Within 1 year	N/A	N/A
<b>Leave Encashment (Unfunded)</b>		
Within 1 year	N/A	N/A
<b>Ayyappa Hydro Power Limited</b>		
<b>Particulars</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
<b>Gratuity (Funded)</b>		
Within 1 year	N/A	N/A
<b>Leave Encashment (Unfunded)</b>		
Within 1 year	N/A	N/A
<b>Weighted average duration of defined benefit obligation (Refer Note b below)</b>		
<b>Energy Development Company Limited</b>		
<b>Particulars</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
<b>Gratuity (Funded)</b>		
Duration (in years)	8	12
<b>Leave Encashment (Unfunded)</b>		
Duration (in years)	8	12
<b>EDCL Power Projects Limited</b>		
<b>Particulars</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
<b>Gratuity (Funded)</b>		
Duration (in years)	15	12
<b>Leave Encashment (Unfunded)</b>		
Duration (in years)	11	12



(Amount in ₹)

**Ayyappa Hydro Power Limited**

Particulars	31st March, 2018	31st March, 2017	
<b>Gratuity (Funded)</b>			
Duration (in years)	21	12	
<b>Leave Encashment (Unfunded)</b>			
Duration (in years)	21	12	
	<b>31st March, 2018</b>	<b>31st March, 2017</b>	<b>1st April, 2016</b>

Average no of people employed (Gratuity Funded) (Refer Note b below) **55** 61 59

b) The above figures have been given to the extent applicable and do not include Arunachal Hydro Power Limited, Eastern Ramganga Valley Hydel Projects Company Private Limited & Sarju Valley Hydel Projects Company Private Limited.

**Notes: (As certified by Independent Actuary)**

1. Assumptions relating 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, seniority, promotion, market growth and other factors as applicable to the period over which the obligation is expected to be settled.
2. The expected return on Plan assets is based on market expectation at the beginning of the year. The rate of return on long term Government Bonds is taken as reference for this purpose.
3. In respect of Funded Gratuity, the funds are managed by the insurer and therefore the percentage or amount that each major category constitutes the fair value of total plan assets and effect thereof on overall expected rate of return on asset is not ascertainable.
4. Acquisition adjustment represents amount in respect of certain employees transferred into / transferred from the group.

**NOTE 36****FINANCE COSTS**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest Expenses		
- On Borrowings	17,69,88,485	18,07,14,184
- On Others	<u>2,37,56,522</u>	<u>11,83,90,990</u>
	<b>20,07,45,007</b>	<b>29,91,05,174</b>
Other Borrowing Costs	<u>46,68,093</u>	<u>56,51,249</u>
	<b>20,54,13,100</b>	<b>30,47,56,423</b>

**NOTE 37****DEPRICIATION AND AMORTISATION EXPENSE**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Depreciation on property, plant and equipment [Refer Note no 5]	10,08,56,408	9,97,13,506
Amortisation of intangible assets [Refer Note no 7]	1,60,95,100	92,38,054
	<u>11,69,51,508</u>	<u>10,89,51,560</u>



(Amount in ₹)

**NOTE 38  
OTHER EXPENSES**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Payment to Auditors (excluding Service Tax/GST)		
- As Auditors	4,27,500	7,41,576
- For Taxation matters	2,10,000	2,10,000
- Other Services	1,45,000	4,00,000
Cost of Power Purchased	15,30,605	24,86,948
Stores and Spares consumed	12,38,559	25,75,982
Discount & Rebate	57,54,849	38,42,549
Rent (Refer Note 43)	1,03,53,160	1,50,56,192
Repairs & Maintenance :		
- Plant & Machinery	1,29,66,323	3,30,00,762
- Others	97,10,531	51,71,313
Rates & Taxes	90,10,342	2,29,15,003
Travelling & Conveyance Expenses	45,46,026	64,35,468
Insurance	19,50,677	24,29,689
Legal & Professional charges	91,00,552	1,52,82,239
Security Services.	37,18,857	30,07,145
Telephone, Fax, Postal etc.	12,47,688	18,69,673
Impairment in value of long-term Investments	-	16,18,000
Project Development Expenses	14,117	1,95,793
Loss on fair valuation of Financial Instruments	16,31,682	27,82,096
Fair Value Adjustment for Loan taken	4,87,392	-
Contract, Consultancy & Service Charges	2,05,97,483	3,55,49,610
Miscellaneous Expenses [Refer Note (i) below]	1,16,46,825	1,14,78,735
	<u>10,62,88,168</u>	<u>16,70,48,773</u>

**Note :**

(i) Miscellaneous Expenses includes Net (Gain) / Loss on foreign currency transactions of ₹ 767,536/- (Previous Year ₹ 643,759/-)

**NOTE 39  
EXCEPTIONAL ITEMS**

Exceptional item represents gain/(loss) on sale of following investment :

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Arunachal Hydro Power Limited	-	26,99,60,613
Eastern Ramganga Valley Hydel Projects Company Private Limited	-	49,000
Sarju Valley Hydel Projects Company Private Limited	-	49,000
Other Investments	-	9,82,34,879
	<u>-</u>	<u>36,82,93,492</u>



(Amount in ₹)

**NOTE 40****TAX EXPENSE**

The major components of tax expense for the years ended March 31, 2018 and March 31, 2017 are as under :

**A Income tax recognised in Statement of Profit and Loss**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Income Tax Expense:</b>		
Current year tax	93,92,386	1,33,00,000
<b>Deferred Tax :</b>		
Deferred Tax Expense	2,02,49,222	(23,03,580)
<b>Total Income Tax Expense</b>	<b>2,96,41,608</b>	<b>1,09,96,420</b>

**B The reconciliation of tax expense and the accounting profit multiplied by tax rate :**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Profit before tax</b>	<b>(10,14,22,721)</b>	5,07,49,083
Applicable Tax Rate	33.063%	33.063%
Income tax expense calculated as per applicable tax rate	(3,35,33,394)	1,67,79,169
Add : Effect of non recognition of Deferred Tax Asset in absence of sufficient future taxable income	5,68,73,516	(1,56,79,116)
80IA Deduction	(32,12,020)	(48,04,491)
Effect of expenses that are not deductible in determining taxable profit	-	37,06,354
Effect of other adjustments	95,13,506	1,09,94,504
<b>Income tax Expense recognised in Statement of Profit and Loss</b>	<b>2,96,41,608</b>	<b>1,09,96,420</b>

**C Income tax recognised in other comprehensive income**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Deferred tax charge on</b>		
Remeasurement of gains of defined benefit obligation	(4,07,667)	(5,19,090)
<b>Income tax recognised in other comprehensive income</b>	<b>(4,07,667)</b>	<b>(5,19,090)</b>

**Bifurcation of the income tax recognised in Other Comprehensive Income into :**

Items that will be reclassified to profit or loss	-	-
Items that will not be reclassified to profit or loss	(4,07,667)	(5,19,090)

**D Components of Other Comprehensive Income**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Items that will not be reclassified to Statement of profit or loss</b>		
Remeasurement of gains of defined benefit obligation (net of tax)	8,25,333	10,50,910
	<b>8,25,333</b>	<b>10,50,910</b>



(Amount in ₹)

## NOTE 41

### CONTINGENT LIABILITIES AND COMMITMENTS (To the extent not provided for)

Particulars	As at	As at	Amount in ₹
	31st March, 2018	31st March, 2017	As at 1st April, 2016
<b>Contingent Liabilities</b>			
a) Claims against the company not acknowledged as debts			
i) Income Tax matters under disputes and pending in appeal	6,50,47,909	6,03,40,939	3,66,96,131
ii) Sales Tax matters under disputes and pending in appeal	22,52,013	22,52,013	1,44,33,700
iii) Service Tax matters under disputes and pending in appeal	15,41,477	15,41,477	-
The Company's pending litigation comprise of proceedings with income tax, sales tax and service tax authorities. The company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The company does not expect the outcome of these proceedings to have material impact on its financial position. Future cash outflows if any in respect of (i) to (iii) above are dependent upon the outcome of the decision/judgements.			
b) Bank guarantees given			
i) Bank guarantee	5,85,00,000	6,32,70,000	8,79,27,677
<b>Commitments</b>			
a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	-	-	5,51,36,888

## NOTE 41

### RELATED PARTY DISCLOSURES PURSUANT TO INDIAN ACCOUNTING STANDARD - 24

<b>(A) Key Management Personnel and their relative</b>	
	Sanjiv Saraf (Executive Director)
	Indira Saraf (Wife of the Executive Director)
	Amar Singh (Promotor & Non-Executive Director)
	Pankaja Kumari Singh (Promotor & Non-Executive Director)
	Sanjay Kumar Gupta (Non-Executive Director) (ceased from 15th March, 2018)
	Gouri Prasad Goenka (Independent Non-Executive Director)
	Tarun Chaturdevi (Independent Non-Executive Director) (Ceased from 30th January, 2018)
	Vijoy Kumar (Independent Non-Executive Director)
	Anil Gupta (Independent Non-Executive Director)
	Bijay Kumar Garodia (Independent Non-Executive Director)
	Chanakya Arvind Danda (Non-Executive Director) (Ceased from 8th February, 2017)
	Amit Damani (Chief Financial Officer) (Ceased from 15th March, 2018)
	Vijayshree Binnani (Company Secretary)
<b>(B) Associate Companies</b>	
1	Arunachal Hydro Power Limited (w.e.f 28th March, 2017)
	<b>Subsidiaries of Arunachal Hydro Power Limited :</b>
(i)	EDCL Seppa Beyond Hydro Electric Private Limited
(ii)	EDCL Seppa Dunkho Hydro Electric Private Limited
(iii)	EDCL Seppa Jung Power Private Limited



(Amount in ₹)

	(iv)	EDCL Seppa Kawa Power Private Limited
	(v)	EDCL Seppa Lada Hydro Electric Private Limited
	(vi)	EDCL Seppa Marjingla Hydro Electric Private Limited
	(vii)	EDCL Seppa Nire Hydro Electric Private Limited
	(viii)	EDCL Seppa Pachuk Power Private Limited
	(ix)	EDCL Seppa Rieng Power Private Limited
	(x)	EDCL Tawang Lower Tsachu Hydro Electric Private Limited
	(xi)	EDCL Tawang Power Private Limited
	(xii)	EDCL Tawang Upper Tsachu Hydro Electric Private Limited
	(xiii)	EDCL Arunachal Hydro Projects Private Limited (till 30th September, 2016)
<b>(C)</b>	<b>Individuals having significant influence directly or indirectly (Promoter and their relatives)</b>	
	Amar Singh (Non Executive Chairman )	
	Pankaja Kumari Singh (Wife of the Non Executive Chairman)	
<b>(D)</b>	<b>Enterprises over which individuals mentioned in (C ) above exercises significant influence</b>	
	1	Startrack Vinimay Private Limited
	2	Sarvottam Caps Private Limited

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

	Particulars	2017-18 ( ₹ )	2016-17 ( ₹ )
<b>i)</b>	<b>Remuneration :</b>		
	- Sanjiv Saraf	48,20,000	48,20,000
	- Amit Damani	9,79,369	9,00,000
	- Vijayshree Binnani	6,23,000	3,53,308
<b>ii)</b>	<b>Rent Paid</b>		
	- Indira Saraf	10,54,200	10,54,200
<b>iii)</b>	<b>Sitting Fees</b>		
	- Gouri Prasad Goenka	40,000	40,000
	- Anil Gupta	80,000	70,000
	- Bijay Kumar Garodia	40,000	20,000
	- Sanjiv Saraf	2,500	20,000
	- Tarun Chaturvedi	5,000	1,55,000
	- Chanakya Arvind Dhanda	-	40,000
	- Vijoy Kumar	2,25,000	1,62,500
	- Sanjay Kumar Gupta	1,70,000	1,80,000

<b>Balances as at the year end :</b>		<b>31.03.2018</b>	31.03.2017	01.04.2016
<b>i)</b>	<b>Trade Payable</b>			
	- Indira Saraf	-	92,243	-
	- Amit Damani	86,900	25,400	-

**Note :** Post employment benefit has not been disclosed separately as the same is not ascertainable.





(Amount in ₹)

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

	Particulars	As at 31st March, 2018	As at 31st March, 2017	
(i)	Purchase/(Sale) in Preference Shares of Associate and its subsidiaries			
	- Arunachal Hydro Power Limited	(13,82,40,000)	7,92,00,000	
(ii)	Loans given to Associate			
	- Arunachal Hydro Power Limited	-	-	
(iii)	Proceeds from Repayment of Loans			
	- Arunachal Hydro Power Limited	88,26,075	-	
(iv)	Interest Income			
	- Arunachal Hydro Power Limited	65,88,561	-	
(v)	Modification Gain/ Loss			
	- Arunachal Hydro Power Limited	11,73,925	-	
(iv)	Paid for purchase of investments			
	- Arunachal Hydro Power Limited	1,00,00,000	-	
<b>Balances as at the year end :</b>		<b>31.03.2018</b>	<b>31.03.2017</b>	<b>01.04.2016</b>
(i)	Investment in Preference Shares of Associate			
	- Arunachal Hydro Power Limited	7,92,00,000	7,92,00,000	-
(ii)	Payable for purchase of preference shares			
	- Arunachal Hydro Power Limited	4,36,54,737	18,18,94,737	-
(iii)	Loans given to Associate			
	- Arunachal Hydro Power Limited	5,26,67,161	5,49,04,675	-
(iv)	Payable towards purchase of investments			
	- Arunachal Hydro Power Limited	-	1,00,00,000	-

Payment of expenses on behalf of subsidiaries/associates :

Name of the Company	Transactions during the year				Outstanding Balances as at the year end		
	Expenses incurred on behalf		Amount Recovered		Other Receivables		
	2017-18	2016-17	2017-18	2016-17	31.03.2018	31.03.2017	01.04.2016
1 EDCL SEPPA BEYOND HYDRO ELECTRIC PRIVATE LIMITED	-	15,314	-	15,226	88	88	-
2 EDCL SEPPA DUNKHO HYDRO ELECTRIC PRIVATE LIMITED	-	75,966	-	75,878	88	88	-
3 EDCL SEPPA JUNG POWER PRIVATE LIMITED	-	7,658	-	7,570	88	88	-
4 EDCL SEPPA KAWA POWER PRIVATE LIMITED	-	62,480	-	62,392	88	88	-
5 EDCL SEPPA LADA HYDRO ELECTRIC PRIVATE LIMITED	-	14,205	-	14,117	88	88	-
6 EDCL SEPPA MARJINGLA HYDRO ELECTRIC PRIVATE LIMITED	-	1,35,407	-	1,35,319	88	88	-
7 EDCL SEPPA NIRE HYDRO ELECTRIC PRIVATE LIMITED	-	4,852	-	4,764	88	88	-
8 EDCL SEPPA PACHUK POWER PRIVATE LIMITED	-	14,44,761	-	14,44,585	176	176	-
9 EDCL SEPPA RIANG POWER PRIVATE LIMITED	-	4,852	-	4,764	88	88	-
10 EDCL TAWANG LOWER TSACHU HYDRO ELECTRIC PRIVATE LIMITED	-	2,12,551	-	2,12,375	176	176	-
11 EDCL TAWANG POWER PRIVATE LIMITED	-	9,32,587	-	9,32,411	176	176	-
12 EDCL TAWANG UPPER TSACHU HYDRO ELECTRIC PRIVATE LIMITED	-	7,658	-	7,570	88	88	-
<b>Total :</b>	<b>-</b>	<b>29,18,291</b>	<b>-</b>	<b>29,16,971</b>	<b>1,320</b>	<b>1,320</b>	<b>-</b>



(Amount in ₹)

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

Particulars	2017-18 (₹)	2016-17 (₹)
<b>Transactions during the year :</b>		
(i) <b>Meeting Fees</b>		
– Amar Singh	80,000	80,000
– Pankaja Kumari Singh	80,000	65,000

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

Particulars	2017-18 (₹)	2016-17 (₹)
<b>Transactions during the year :</b>		
(i) <b>Unsecured Loan received</b>		
– Startrack Vinimay Private Limited	1,50,00,000	–
– Sarvottam Caps Private Limited	4,00,00,000	6,49,50,000
(ii) <b>Interest Expenses</b>		
– Startrack Vinimay Private Limited	69,78,082	54,00,000
– Sarvottam Caps Private Limited	2,10,02,219	1,36,34,598
(iii) <b>Purchase of Investments in Subsidiaries / Associates</b>		
– Startrack Vinimay Private Limited	–	14,51,33,780
– Sarvottam Caps Private Limited	–	18,48,66,220
(iv) <b>Sale of Investment</b>		
– Startrack Vinimay Private Limited	–	10,68,00,000
(v) <b>Expenses incurred by the company on behalf of the party</b>		
– Startrack Vinimay Private Limited	29,352	11,985
– Sarvottam Caps Private Limited	10,911	11,667
(vi) <b>Expenses reimbursed to the company</b>		
– Startrack Vinimay Private Limited	31,108	60,342
– Sarvottam Caps Private Limited	12,349	35,759
(vii) <b>Received against sale of Investment</b>		
– Startrack Vinimay Private Limited	4,80,00,000	–

Particulars	31.03.18 (₹)	31.03.17 (₹)	01.04.16 (₹)
<b>Balances as at the year end :</b>			
(i) <b>Unsecured Loans</b>			
– Startrack Vinimay Private Limited	6,00,00,000	4,50,00,000	4,50,00,000
– Sarvottam Caps Private Limited	17,99,50,000	13,99,50,000	7,50,00,000
(ii) <b>Interest accrued and due (Payable)</b>			
– Startrack Vinimay Private Limited	1,29,16,325	66,36,051	17,76,051
– Sarvottam Caps Private Limited	5,30,23,162	3,41,21,165	2,18,50,027
(iii) <b>Payable towards purchase of Investments</b>			
– Startrack Vinimay Private Limited	21,50,15,149	22,50,15,149	19,86,81,369
– Sarvottam Caps Private Limited	18,48,66,220	18,48,66,220	–
(iv) <b>Receivable against Sale of Shares</b>			
– Startrack Vinimay Private Limited	–	4,80,00,000	–
(v) <b>Advance (Reimbursable Expenses)</b>			
– Startrack Vinimay Private Limited	–	1,756	50,113
– Sarvottam Caps Private Limited	–	1,438	25,530

Notes :

- In respect of above parties, there is no provision for doubtful debts as on 31st March 2018 and no amount has been written off or written back during the year in respect of debts due from / to them.
- The above Related Party information is as identified by the Management and relied upon by the auditors.



(Amount in ₹)

**NOTE 43  
OPERATING LEASE**

**I. As a Lessee**

- (a) The company has entered into arrangements of lease of land which has been classified as operating leases. These lease arrangements are non-cancellable in nature.

Rental expenses towards such non- cancellable operating lease charged to statement of profit and loss amounts to ₹ 3,72,100/- (Previous Year ₹ 3,72,100/-) and has been disclosed as "Rent" in Note 38 of the financial statement.

Particulars	2017-18	2016-17
Within 1 year	1,80,000	1,80,000
1-5 years	9,00,000	9,00,000
more than 5 years	5,39,261	7,19,261
<b>Total</b>	<b>16,19,261</b>	<b>17,99,261</b>

- (b) (b) The company has taken several premises under cancellable operating leases. The lease term is upto 5 years and have the option of renewal on expiry of the lease period based on mutual agreement of both the parties. Certain lease arrangements have been terminated during the year based upon mutual agreement of both the parties. Rental expenses towards cancellable operating lease charged to statement of profit and loss amounts to ₹ 1,00,99,200 /- (Previous year ₹ 1,36,61,000/-) and has been disclosed as "Rent" in Note 38 of the financial statement.
- (c) The Company has taken certain machineries under cancellable operating leases. The lease term has an option of renewal on expiry of the lease period based on the mutual agreement of both the parties. The lease arrangement has been terminated during the year based upon mutual agreement of both the parties. Rental expenses towards such cancellable operating lease charged to statement of profit and loss amounts to ₹ NIL/- (Previous Year as 31st March, 2017 ₹ 5,40,000 /-) and has been disclosed as "Rent" in Note 38 of the financial statement.

**II. As a Lessor**

The group has given certain plant & equipments under cancellable operating leases. The Lease term had an option of renewal on expiry of the lease period based on the mutual agreement of both the parties.

**NOTE 44**

**SEGMENT REPORTING**

Segments have been identified in line with the Indian Accounting Standards AS-108 taking into account the organization structure as well as the differencing risk and return. The Company's business segment comprises of (a) Generating Division - generation and sale of bulk power to various electricity boards; (b) Contract Division - construction development, implementation, operation & maintenance of projects and consultancies and (c) Trading Division - trading of Power equipments, metals etc. These have been identified by the Chief Operating Decision Maker (CODM) on the basis of the type of their respective sales and services rendered.

Amount in ₹

Particulars	Generating Division		Contract Division		Trading Division		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>Revenue:</b>								
External sales	32,73,78,330.00	23,01,19,359.00	3,02,31,858	9,34,59,883	24,14,48,206	83,04,40,675	59,90,58,394	1,15,40,19,917
<b>Result:</b>								
Segments	14,90,42,132	6,45,22,217	(1,42,22,640)	50,78,801	11,50,224	33,57,801	13,59,69,715	7,29,58,819
Less : Interest and Finance Charges	-	-	-	-	-	-	20,54,13,100	30,47,56,423
Less : Other common expenses (net)	-	-	-	-	-	-	3,19,79,336	(28,25,46,687)
Total Profit Before Tax							(10,14,22,721)	5,07,49,083
Provisions For Tax	-	-	-	-	-	-	2,96,41,608	1,09,96,420
Profit After Tax	-	-	-	-	-	-	(13,10,64,329)	3,97,52,663



(Amount in ₹)

Particulars	Generating Division			Contract Division			Trading Division			Total		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Assets and Liabilities as at the year end :</b>												
Segments Assets	1,28,16,17,890	1,47,73,03,124	4,55,60,07,875	14,12,04,599	22,36,10,701	20,89,25,912	26,92,49,522	25,02,93,365	17,64,45,001	1,69,20,72,011	1,95,12,07,390	4,94,13,78,788
Unallocable Corporate Assets	-	-	-	-	-	-	-	-	-	1,92,55,74,932	2,07,41,99,792	17,78,16,543
<b>TOTAL</b>										3,61,76,46,943	4,02,54,07,182	5,11,90,69,361
Segments Liabilities	1,61,34,40,848	1,62,23,74,355	1,28,03,50,726	11,98,37,122	13,12,06,334	16,85,76,132	13,24,37,357	22,92,03,319	12,90,44,037	1,86,57,15,327	1,98,27,84,008	1,57,79,70,895
Unallocable Corporate Liabilities	-	-	-	-	-	-	-	-	-	68,87,03,093	82,05,70,714	2,12,03,23,659
<b>TOTAL</b>										2,55,44,18,420	2,80,33,54,722	3,69,82,94,554

Particulars	Generating Division		Contract Division		Trading Division		Total	
	2017-18 (₹)	2016-17 (₹)	2017-18 (₹)	2016-17 (₹)	2017-18 (₹)	2016-17 (₹)	2017-18 (₹)	2016-17 (₹)
Capital expenditure for the segment	18,01,97,625	36,60,754	19,100	-	-	-	18,02,16,725	36,60,754
Unallocable Corporate Capital Expenditure	-	-	-	-	-	-	8,09,389	97,500
<b>Total Capital Expenditure</b>							18,10,26,114	37,58,254
Depreciation and amortisation for the segment	11,24,41,769	10,27,24,719	17,97,506	23,89,390	-	-	11,42,39,275	10,51,14,109
Unallocable Depreciation and amortisation	-	-	-	-	-	-	27,12,233	38,37,451
<b>Total depreciation and amortisation</b>							11,69,51,508	10,89,51,560
Non cash expenditure, other than depreciation and amortisation for the segment	-	1,010	-	2,000	-	-	-	3,010
Unallocable non cash expenditure, other than depreciation and amortisation	-	-	-	-	-	-	-	16,18,028
<b>Total non cash expenditure, other than depreciation and amortisation</b>							-	16,21,038

- (a) Revenue and expenses have been identified to segment on the basis of their relationship to the operating activities of the segment. Revenue and expenses which relates to enterprise as a whole and not allocable to segment on a reasonable basis have been included under the head other common expenses.
- (b) As the group operates entirely in India no secondary segment has been identified for the above purpose.

## NOTE 45

### CONSTRUCTION CONTRACTS DISCLOSURES

Particulars	2017-18 (₹)	2016-17 (₹)
i) Contract revenue recognised as revenue in the period	1,26,07,358	4,32,32,883
ii) Contract costs incurred upto the reporting date	54,89,42,875	53,01,95,695
iii) Advances received	2,69,90,635	2,69,90,635
iv) Retention money with customers	57,42,402	1,06,89,101
v) Gross amount due from customers for contract work	6,86,26,268	9,76,35,555

- b) In case of long term contracts in operation, the foreseeable losses if any are recognised based on the management's estimation of percentage of completion and cost involved thereagainst.

## NOTE 46

### EARNINGS PER SHARE

(Amount in ₹)

Particulars	2017-18 (₹)	2016-17 (₹)
<b>Basic and Diluted Earnings per share has been computed as under :</b>		
Profit/(Loss) after tax for the year attributable to Owner of the Company	(11,63,78,528)	4,64,68,035
Weighted Average Number of Equity Shares issued (Nos.)	4,75,00,000	4,75,00,000
Basic and Diluted Earnings per Share (Face Value ₹ 10/- per share fully paid up )	(2.45)	0.98



(Amount in ₹)

## NOTE 47

### UNHEDGED FOREIGN CURRENCY EXPOSURE OF THE COMPANY AS AT THE YEAR END :

Particulars	Amount in foreign currency		
	31.03.18 (₹)	31.03.17 (₹)	01.04.16 (₹)
<b>Payables</b>			
– Imports			
EURO	80,784	80,784	80,784
INR	65,12,984	55,94,098	60,66,515
USD	16,660	16,660	16,660
INR	10,83,635	10,80,211	11,05,106
<b>Receivables</b>			
USD	31,726	31,726	–
INR	20,63,589	20,57,069	–

## NOTE 48

### FINANCIAL INSTRUMENTS

#### Capital Management

The Group follows a capital management strategy. The primary objective is to ensure that Group maintains a healthy capital ratio in order to support its business operations, have sufficient financial flexibility for borrowing requirements, if any, in future and to maximise shareholder value. The Group's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders.

The group also uses gearing ratio to monitor capital. Gearing ratio is net debt divided by total capital. The gearing ratios are as follows :

#### Gearing Ratio

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Total Debt (Net of Cash & Cash equivalent)	1,62,19,97,939	1,58,46,02,009	2,75,24,27,555
Total Capital	47,50,00,000	47,50,00,000	47,50,00,000
<b>Gearing Ratio</b>	<b>3.41</b>	<b>3.34</b>	<b>5.79</b>

#### Categories of financial instruments

The carrying value and fair value of financial instruments are as follows :

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Financial Assets (Current and Non-Current)</b>			
<b>Measured at Amortised Cost</b>			
(i) Trade Receivables	38,67,96,208	45,52,35,695	34,22,75,157
(ii) Cash & Cash Equivalents	5,52,45,821	1,60,01,504	5,11,17,478
(iii) Other Bank Balances	3,53,35,815	5,76,26,131	3,99,50,663
(iv) Loans	5,31,75,947	5,53,09,844	7,51,403
(v) Others Financial Asset	52,47,75,458	63,01,15,535	2,51,61,792
	1,05,53,29,249	1,21,42,88,709	45,92,56,493
<b>Measured at Fair Value through Profit and Loss</b>			
(i) Investment other than associates	2,28,542	2,28,542	2,28,542
<b>Financial Liabilities (Non-Current and Current)</b>			
<b>Measured at amortised Cost</b>			
(i) Borrowings	1,62,21,44,336	1,59,68,09,434	2,75,24,27,555
(ii) Trade Payable	20,82,78,902	31,26,60,590	25,59,52,461
(iii) Other Financial Liabilities	59,85,68,971	78,44,94,109	56,67,66,197
	2,42,89,92,209	2,69,39,64,133	3,57,51,46,213



(Amount in ₹)

The management considers that the above carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

#### Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values :

1. The fair value of cash and cash equivalents, trade receivables, trade payables, current borrowings, current financial liabilities and assets approximate their carrying amount largely due to the short-term nature of these instruments. The Management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values.
2. Long-term debts are from IREDA and body corporates for which interest rates are reset at regular intervals.

#### Fair value hierarchy

The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at balance sheet date:

(Amount in ₹)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Financial assets - LEVEL 3</b>			
Investment in Equity Instruments (Unquoted)	2,28,542	2,28,542	2,28,542

During the year ended 31st March 2018; 31st March, 2017 and 1st April 2016, there was no transfer between Level 3 fair value measurements. Further, there is no transaction / balance for level 1 and Level 2 categories.

Unquoted investments in shares have been valued based at cost as the latest audited financial statements were not available. There were no external unobservable inputs or assumptions used in such valuation.

#### Financial Risk Factors

The Group's activities expose it to a variety of financial risks – market risk, credit risk and liquidity risk. The Board of Directors reviews and approves policies for managing each of these risks, which are summarized below :

#### Market Risk

Market risk is the risk or uncertainty arising from possible market price movements resulting in fluctuation of the fair value of future cash flows of a financial instrument. The major components of Market risks are price risk, interest rate risk and foreign currency exchange risk. Financial instruments affected by market risk includes borrowings and investments.

##### a. Foreign Currency Risk

The Group does not have significant transaction in foreign currency and accordingly it is not exposed to foreign currency risk. There are certain old outstanding balances which are unhedged. The details of the unhedged foreign currency exposures are given in Note No. 47. The management continuously reviews the exchange rates and are in process of settling the balances.

##### b. Interest Rate Risk

The Group's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.

(Amount in ₹)

Nature of Borrowing	Increase in basis points	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Term Loan	0.5	5,10,29,362	4,90,81,493
(ii) Cash Credit	0.5	43,99,816	57,98,507
(iii) Loan from Related Parties	0.25	71,98,500	55,48,500
(iv) Loan from Others	0.25	60,04,392	72,45,403

A decrease in 0.50 basis point in Term Loan and Cash Credit & 0.25 basis point in Other Loans would have an equal and opposite effect on the Group's consolidated financial statements.



(Amount in ₹)

**c. Other price risk**

The group is not exposed to any other price risk.

**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Trade Receivables of the Group mainly comprises of receivables from state electricity boards and government department and hence such risk is negligible. Trade receivables in case of trading operations are from various private parties and are therefore exposed to general credit risk. The Group has a policy to monitor such risk on an ongoing basis.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables.

The carrying amount of respective financial assets recognised in the consolidated financial statements, (net of impairment losses) represents the Group's maximum exposure to credit risk.

**Financial assets that are neither past due nor impaired**

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

**Financial assets that are past due but not impaired**

Trade receivables disclosed include amounts that are past due at the end of the reporting period but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

**Liquidity Risk**

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

(Amount in ₹)

Particulars	Less than 1 year	1 year – 3 years	More than 3 years	Total
<b>As at March 31, 2018</b>				
Interest bearing borrowings (including current maturities)	7,34,76,666	1,54,86,67,670	–	1,62,21,44,336
Current maturities of long-term debt: Term Loan from IREDA	3,16,37,708	–	–	3,16,37,708
Current maturities of long-term debt: Others	37,47,139	–	–	37,47,139
Interest accrued and due on Others	1,91,94,499	–	–	1,91,94,499
Interest on preference shares	4,40,80,000	–	–	4,40,80,000
Payable towards Purchase of Investments	39,98,81,369	–	–	39,98,81,369
Advance against Sale of Shares	54,000	–	–	54,000
Interest Accrued and Due on borrowings	8,05,52,480	–	–	8,05,52,480
Trade Payable	20,82,78,902	–	–	20,82,78,902
Unpaid Dividend	7,42,317	–	–	7,42,317
Capital Vendor	95,05,117	–	–	95,05,117
Other Liabilities	91,74,342	–	–	91,74,342
<b>Total</b>	<b>88,03,24,539</b>	<b>1,54,86,67,670</b>	<b>–</b>	<b>2,42,89,92,209</b>





(Amount in ₹)

Particulars	Less than 1 year	1 year – 3 years	More than 3 years	Total
<b>As at March 31, 2017</b>				
Interest bearing borrowings (including current maturities)	10,88,49,201	1,48,79,60,233	–	1,59,68,09,434
Current maturities of long-term debt: Term Loan from IREDA	6,35,00,000	–	–	6,35,00,000
Interest accrued and due on Others	1,57,63,470	–	–	1,57,63,470
Interest on preference shares	2,20,40,000	–	–	2,20,40,000
Payable towards Purchase of Investments	42,78,81,369	–	–	42,78,81,369
Advance against Sale of Investments	16,00,00,000	–	–	16,00,00,000
Advance against Sale of Shares	54,000	–	–	54,000
Interest Accrued and Due on borrowings	8,60,13,499	–	–	8,60,13,499
Trade Payable	31,26,60,590	–	–	31,26,60,590
Unpaid Dividend	6,95,657	–	–	6,95,657
Capital Vendor	55,75,391	–	–	55,75,391
Other Liabilities	29,70,723	–	–	29,70,723
<b>Total</b>	<b>1,20,60,03,900</b>	<b>1,48,79,60,233</b>	<b>–</b>	<b>2,69,39,64,133</b>
<b>As at April 1, 2016</b>				
Interest bearing borrowings (including current maturities)	6,31,55,932	2,68,92,71,623	–	2,75,24,27,555
Current maturities of long-term debt: Term Loan from IREDA	6,35,00,000	–	–	6,35,00,000
Interest accrued and due on Others	1,23,32,447	–	–	1,23,32,447
Interest on preference shares	14,95,00,000	–	–	14,95,00,000
Payable towards Purchase of Investments	19,86,81,369	–	–	19,86,81,369
Advance against Sale of Investments	10,00,00,000	–	–	10,00,00,000
Interest Accrued and Due on borrowings	3,15,17,473	–	–	3,15,17,473
Trade Payable	25,59,52,461	–	–	25,59,52,461
Unpaid Dividend	7,20,663	–	–	7,20,663
Capital Vendor	75,47,830	–	–	75,47,830
Other Liabilities	29,66,415	–	–	29,66,415
<b>Total</b>	<b>88,58,74,590</b>	<b>2,68,92,71,623</b>	<b>–</b>	<b>3,57,51,46,213</b>

#### Unused Line of Credit

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Cash Credit	2,66,69,731	33,58,224	3,68,44,068

The group has current financial assets which will be realised in ordinary course of business and unused line of credits as given above. The Group monitors its rolling forecast of its liquidity requirements to ensure it has sufficient cash to meet expected operational requirements.

The group relies on mix of borrowings, operating cash flows and/or otherwise raise long term resources to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.



(Amount in ₹)

**NOTE 49**

**FIRST TIME ADOPTION OF Ind AS - Disclosures, Reconciliation etc.**

**a) Reconciliation in terms of Ind AS 101 "First time adoption of Indian Accounting Standards"**

**I) Reconciliation of Equity as at 31st March, 2017 and 1st April, 2016**

Particulars	Note No. 49(c)	As at 31st March, 2017			As at 1st April, 2016		
		As per Previous GAAP	Effect of Transition to Ind AS	As per Ind AS	As per Previous GAAP	Effect of Transition to Ind AS	As per Ind AS
<b>ASSETS</b>							
<b>(1) Non Current Assets</b>							
(a) Property, Plant and Equipment	i	1,91,14,05,444	(19,79,261)	1,90,94,26,183	2,00,75,40,701	(21,59,266)	2,00,53,81,435
(b) Capital Work-in-Progress		46,93,90,904	-	46,93,90,904	2,44,17,91,013	-	2,44,17,91,013
(c) Other Intangible Assets		5,93,77,697	-	5,93,77,697	6,86,15,751	-	6,86,15,751
(d) Financial Assets							
(i) Investment	iii	28,80,27,506	(2,83,22,227)	25,97,05,279	2,28,542	-	2,28,542
(ii) Loans	iii	6,90,16,555	(1,39,67,080)	5,50,49,475	3,31,800	-	3,31,800
(iii) Other Financial Assets	iii	1,84,43,277	(43,52,819)	1,40,90,458	1,76,68,412	(54,98,827)	1,21,69,585
(e) Non Current Tax Assets (net)		4,41,44,833	-	4,41,44,833	5,54,16,723	-	5,54,16,723
(f) Other Non Current Assets	iii	8,91,000	59,33,370	68,24,370	4,50,580	74,78,021	79,28,601
		<b>2,86,06,97,216</b>	<b>(4,26,88,017)</b>	<b>2,81,80,09,199</b>	<b>4,59,20,43,522</b>	<b>(1,80,072)</b>	<b>4,59,18,63,450</b>
<b>(2) Current Assets</b>							
(a) Inventories		1,24,19,851	-	1,24,19,851	1,38,05,597	-	1,38,05,597
(b) Financial Assets							
(i) Trade Receivables		45,52,35,695	-	45,52,35,695	34,22,75,157	-	34,22,75,157
(ii) Cash & Cash Equivalents		1,60,01,504	-	1,60,01,504	5,11,17,478	-	5,11,17,478
(iii) Bank Balances other than (ii) above		5,76,26,131	-	5,76,26,131	3,99,50,663	-	3,99,50,663
(iv) Loans		2,60,369	-	2,60,369	4,19,603	-	4,19,603
(v) Other Financial Assets		61,60,25,076	-	61,60,25,076	1,29,92,207	-	1,29,92,207
(c) Other Current Assets	i, iii	2,40,63,254	1,80,000	2,42,43,254	2,72,69,585	1,80,000	2,74,49,585
		<b>1,18,16,31,880</b>	<b>1,80,000</b>	<b>1,18,18,11,880</b>	<b>48,78,30,290</b>	<b>1,80,000</b>	<b>48,80,10,290</b>
<b>TOTAL ASSETS</b>		<b>4,04,23,29,096</b>	<b>(4,25,08,017)</b>	<b>3,99,98,21,079</b>	<b>5,07,98,73,812</b>	<b>(72)</b>	<b>5,07,98,73,740</b>
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
(a) Equity Share Capital		47,50,00,000	-	47,50,00,000	47,50,00,000	-	47,50,00,000
(b) Other Equity	49(II)	77,16,59,931	(1,78,92,100)	75,37,67,831	1,01,89,02,914	(7,31,28,107)	94,57,74,807
Equity attributable to Owners of the Company		<b>1,24,66,59,931</b>	<b>(1,78,92,100)</b>	<b>1,22,87,67,831</b>	<b>1,49,39,02,914</b>	<b>(7,31,28,107)</b>	<b>1,42,07,74,807</b>
Non Controlling Interest	viii	-	(67,15,372)	(67,15,372)	-	-	-
<b>LIABILITIES</b>							
<b>(1) Non Current Liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings	vii	1,58,36,55,878	(9,56,95,645)	1,48,79,60,233	2,78,64,99,879	(9,72,28,256)	2,68,92,71,623
(b) Provisions		27,48,000	-	27,48,000	57,81,000	-	57,81,000
(c) Deferred Tax Liabilities (net)	vi	(5,29,85,112)	5,57,55,100	27,69,988	(4,05,53,094)	4,94,41,299	88,88,205
		<b>1,53,34,18,766</b>	<b>(3,99,40,545)</b>	<b>1,49,34,78,221</b>	<b>2,75,17,27,785</b>	<b>(4,77,86,957)</b>	<b>2,70,39,40,828</b>
<b>(2) Current Liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings		10,88,49,201	-	10,88,49,201	6,31,55,932	-	6,31,55,932
(ii) Trade Payables		31,26,60,590	-	31,26,60,590	25,59,52,461	-	25,59,52,461
(iii) Other Financial Liabilities		76,24,54,109	2,20,40,000	78,44,94,109	41,72,66,264	14,94,99,933	56,67,66,197
(b) Other Current Liabilities		7,63,95,499	-	7,63,95,499	6,84,48,515	-	6,84,48,515
(c) Provisions	iv	18,91,000	-	18,91,000	2,94,19,941	(2,85,84,941)	8,35,000
		<b>1,26,22,50,399</b>	<b>2,20,40,000</b>	<b>1,28,42,90,399</b>	<b>83,42,43,113</b>	<b>12,09,14,992</b>	<b>95,51,58,105</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>4,04,23,29,096</b>	<b>(4,25,08,017)</b>	<b>3,99,98,21,079</b>	<b>5,07,98,73,812</b>	<b>(72)</b>	<b>5,07,98,73,740</b>



(Amount in ₹)

**II) Reconciliation of Total Equity**

Particulars	Note No. 49(c)	As at 31st March 2017	As at 1st April 2016
<b>Total Equity as reported under Previous GAAP</b>		1,24,66,59,929	1,49,39,02,914
<b>Add/Less effect of transition to Ind AS:</b>			
Effect of fair valuation of financial asset at amortised cost	iii	3,11,47,630	(9,62,14,290)
Effect of Tax	vi	(5,57,55,100)	(54,98,759)
Effect of Dividend and related dividend distribution tax	iv	-	2,85,84,942
Transfer to Non Controlling Interest	viii	67,15,372	
		(1,78,92,098)	(7,31,28,107)
<b>Total Equity as reported under Ind AS</b>		<b>1,22,87,67,831</b>	<b>1,42,07,74,807</b>

**III) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017**

Particulars	Note No. 49(c)	As per IGAAP for the year ended 31st March, 2017	Ind AS Adjustment	As per Ind AS for the year ended 31st March, 2017
<b>REVENUE :</b>				
Revenue from Operations		1,15,40,19,917	-	1,15,40,19,917
Other Income	iii	64,09,789	23,87,181	87,96,970
<b>Total Income</b>		<b>1,16,04,29,706</b>	<b>23,87,181</b>	<b>1,16,28,16,887</b>
<b>EXPENSES :</b>				
(a) Cost of Materials Consumed		2,88,38,274	-	2,88,38,274
(b) Purchases of Stock-in-Trade		82,04,81,291	-	82,04,81,291
(c) Changes of Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		2,60,749	-	2,60,749
(d) Employee Benefits Expense	ii	5,01,60,901	24,62,122	5,26,23,023
(e) Finance Costs	iii, vii	18,63,65,433	11,83,90,990	30,47,56,423
(f) Depreciation and Amortization Expense	i	10,98,80,416	(9,28,856)	10,89,51,560
(g) Other Expenses	i, iii, v	16,52,82,349	17,66,424	16,70,48,773
		1,36,12,69,413	12,16,90,680	1,48,29,60,093
Less : Expenses transferred to Pre Operative Expenses Account		(1,19,73,121)	93,74,324	(25,98,797)
<b>Total Expenses</b>		<b>1,34,92,96,292</b>	<b>13,10,65,004</b>	<b>1,48,03,61,296</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(18,88,66,586)</b>	<b>(12,86,77,823)</b>	<b>(31,75,44,409)</b>
Exceptional Items		12,11,82,851	24,71,10,641	36,82,93,492
<b>Profit/(Loss) before tax for the year</b>		<b>(6,76,83,735)</b>	<b>11,84,32,818</b>	<b>5,07,49,083</b>
<b>Tax Expense:</b>				
- Current Tax	vi	1,86,00,000	(53,00,000)	1,33,00,000
- Deferred Tax charge / (credit)	vi	(1,77,32,018)	1,54,28,438	(23,03,580)
<b>Total Tax Expense</b>		<b>8,67,982</b>	<b>1,01,28,438</b>	<b>1,09,96,420</b>
<b>Profit/(Loss) after tax for the year</b>		<b>(6,85,51,717)</b>	<b>10,83,04,380</b>	<b>3,97,52,663</b>
Share of profit/(loss) in associate		(19,606)	19,606	-
<b>Profit/(Loss) for the year</b>		<b>(6,85,71,323)</b>	<b>10,83,23,986</b>	<b>3,97,52,663</b>
Profit for the year attributable to:				
- Owner of the Company		(6,85,71,323)	11,50,39,358	4,64,68,035
- Non Controlling Interest	viii	-	(67,15,372)	(67,15,372)
<b>OTHER COMPREHENSIVE INCOME</b>				
i. Items that will not be reclassified to profit or loss				
- Remeasurements of the net defined benefit liabilities /(assets)	ii	-	15,70,000	15,70,000
ii. Income tax relating to items that will not be reclassified to profit or loss	vi	-	(5,19,090)	(5,19,090)
<b>Total Other Comprehensive Income for the year</b>		<b>-</b>	<b>10,50,910</b>	<b>10,50,910</b>



(Amount in ₹)

Particulars	Note No. 49(c)	As per IGAAP for the year ended 31st March, 2017	Ind AS Adjustment	As per Ind AS for the year ended 31st March, 2017
Other Comprehensive Income for the year attributable to:				
– Owner of the Company		–	10,50,910	10,50,910
– Non Controlling Interest		–	–	–
<b>Total Comprehensive Income for the year</b>		<b>(6,85,71,323)</b>	<b>10,93,74,896</b>	<b>4,08,03,573</b>
Total Comprehensive Income/(Loss) for the year attributable to:				
– Owner of the Company		(6,85,71,323)	<b>11,60,90,268</b>	<b>4,75,18,945</b>
– Non Controlling Interest	viii	–	(67,15,372)	(67,15,372)

**IV) Reconciliation of Total Comprehensive Income**

Particulars	Note No. 49(c)	For Year ended March 2017
<b>Net Profit/(Loss) as per GAAP</b>		<b>(6,85,71,323)</b>
<b>Add / Less :</b>		
Effect of income on measurement of Financial Instrument	iii	12,09,14,546
Reclassification of net actuarial Gain/(Loss) on employee defined benefit plan to Other Comprehensive Income	ii	(15,70,000)
Effect of re-grouping of Gratuity	ii	(8,92,122)
Effect of Tax	vi	(1,01,28,438)
<b>Net profit for the period as per Ind AS</b>		<b>3,97,52,663</b>
<b>Other Comprehensive Income</b>		
Net actuarial gain/(loss) on employee defined benefit plan (net of tax)	ii	10,50,910
<b>Total Comprehensive Income</b>		<b>4,08,03,573</b>

**V) Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2017**

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
<b>Net cash flows from operating activities</b>	<b>6,59,95,253</b>	<b>(93,82,425)</b>	<b>5,66,12,828</b>
Net cash flows from investing activities	(6,17,90,471)	93,82,428	(5,24,08,043)
Net cash flows from financing activities	(3,88,20,324)	–	(3,88,20,324)
Cash and cash equivalents of subsidiaries sold	(5,00,435)	–	(5,00,435)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(3,51,15,977)</b>	<b>–</b>	<b>(3,51,15,974)</b>
Cash and cash equivalents at the beginning of the period	5,11,17,478	–	5,11,17,478
<b>Cash and cash equivalents at the end of the period</b>	<b>1,60,01,501</b>	<b>–</b>	<b>1,60,01,504</b>

**b) Disclosure as per Ind AS 101 First-time adoption of Indian Accounting Standards :**

**(i) Overall principle :**

The Group and its associate has prepared the opening balance sheet as per Ind AS as of 1st April, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Group as detailed below:



**(II) Mandatory exceptions and optional exemptions**

**(i) Classification and measurement of financial asset:**

The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**(ii) Derecognition of financial assets and financial liabilities :**

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

**(iii) Deemed cost for property, plant and equipment and other intangible assets :**

The Group has elected to continue with the carrying value of all of its property, plant and equipment and other intangible assets recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date except in respect of leasehold land of windmill as given in Note 5A(a).

**(iv) Deemed cost of investment in Associates :**

The Group has elected to continue with the carrying value of all of its investment in Associate recognised as on 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**(v) Determining whether an arrangement contains a lease :**

The Group has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

**(vi) Impairment of financial assets :**

Ind AS 109 "Financial Instruments" requires the impairment to be carried out retrospectively; however, as permitted by Ind AS 101, the Group, has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date.

Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

**(vii) Business Combinations :**

In terms of Ind AS 101 "First Time Adoption of Indian Accounting Standards", the Group has elected to not to apply Ind AS 103 "Business Combination" for past combinations.

**(viii) Government Grants :**

The Group has applied the requirements in Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance, prospectively to the government grants existing as at the date of transition to Ind ASs. Accordingly, the Group has used its previous GAAP carrying amount of grant at the date of transition to Ind AS as carrying amount of Grant in the opening Ind AS Balance Sheet i.e. Provisions of Ind AS 20 are applied prospectively.

**(ix) Non Controlling Interest**

The Group has applied the requirement of attributing the total comprehensive income to the non-controlling interests even if this results in the non-controlling interest having a deficit balance prospectively from the date of transition to Ind AS.

**c) Explanatory Notes to reconciliation between Previous GAAP and Ind AS**

**i) Re-classification of Leasehold Land**

Under previous GAAP, leasehold land was shown as a part of fixed assets, whereas under Ind AS, the same is considered as an operating lease and hence is shown as prepayments on leasehold land. This reclassification has resulted in decrease in depreciation and increase in rental expense and hence has no impact on other equity.

**ii) Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income instead of profit or loss. Under the Previous GAAP, these remeasurements were forming part of the profit or loss for the year.

**iii) Financial Assets accounted at amortised cost method under effective rate of interest**

(a) Financial assets such as retention money and deposits have been valued by applying amortised cost method using Effective Interest Rate as per requirements of Ind AS 109 'Financial Instruments'. Subsequent to transition date, the fair valuation difference on financial assets has been recognized in statement of profit & loss under other expenditure. Further, the accounting of such financial assets under the effective interest rate method, has resulted in increase in interest income.

(b) Interest free loan given were recorded at their transaction value under Previous GAAP. Under Ind AS, such loans are recognized at fair value on the date of transition/disbursements and the difference thereagainst has been charged off against retained earnings/statement of profit & loss account. Subsequently, the interest free loans has been carried by applying amortised cost



method using effective interest rate as per the requirements of IND AS 109 'Financial Instruments' and interest income has been recognised thereagainst. In case of early prepayment, modification adjustment has been recorded and disclosed under Other Expense/Income.

**iv) Proposed Dividend**

Under previous GAAP upto 1st April 2016, proposed dividends including dividend distribution tax are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under IND AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company, usually when approved by the shareholders in a general meeting, or paid.

**v) Current Tax and Deferred Tax**

Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The aforesaid difference, together with the consequential tax impact of other Ind AS transitional adjustments lead to temporary differences and accordingly, deferred tax adjustments have been recognised in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

Further, under Previous GAAP, Minimum Alternate Tax (MAT) Credit Entitlement were shown under Other Non Current Assets and under IND AS, the same has been considered as deferred tax assets. Consequently, utilisation of MAT Credit entitlement relating to the year ended 31st March, 2017 and those prior to the transition date has been netted with the income tax expense and provision for tax respectively and corresponding charge has been made from deferred tax asset under Ind AS.

**vi) Preference Shares**

Preference shares were classified as equity under Previous GAAP. On transition to Ind AS, preference shares have been classified under liability based on the terms of the contract. The Group has recognised preference shares at the amortised cost as per Ind AS 109. Impact of changes in values as on the date of transition is recognised in opening retained earnings and changes thereafter are recognised in Statement of Profit and Loss. Interest on such liability component of preference shares are recognised using effective interest method.

**vii) Non Controlling Interest**

Group has attributed the profit or loss and each component of other comprehensive income to the owners of the Company and to the non-controlling interest. This has been attributed even if this results in the non-controlling interest having a deficit balance prospectively from the date of transition to Ind AS.

Consequently, the Group has recognized non controlling interest amounting to ₹ Nil as at 1st April 2016 and ₹ (67,15,372/-) as at 31 March 2017.

**viii) Previous year figures have been regrouped and rearranged to comply with the IND AS Schedule presentation.**





(Amount in ₹)

**NOTE 50**

The share of net assets and profit or loss of the company, its subsidiaries and associate companies in consolidated net assets and consolidated loss are provided below :-

For the year ended 31.03.2018

Sl No.	Name of the Company	Net Assets		Share in profit or loss		Share in OCI		Share in Total Comprehensive Income	
		As a % of consolidated net assets	Amount (₹)	As a % of consolidated profit or loss	Amount (₹)	As a % of consolidated OCI	Amount (₹)	As a % of consolidated profit or loss	Amount (₹)
		As at 31st March 2018	As at 31st March 2018 (₹)	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18
1	Energy Development Company Limited	164.04%	1,77,91,84,773	-7.70%	89,65,590	58.80%	4,85,293	-8.18%	94,50,884
<b>Subsidiaries</b>									
2	Ayyappa Hydro Power Limited	-55.78%	(60,49,90,411)	80.65%	(9,38,55,436)	19.22%	1,58,641	81.09%	(9,36,96,796)
3	EDCL Power Projects Limited	-5.60%	(6,07,64,091)	13.91%	(1,61,86,157)	21.98%	1,81,399	13.85%	(1,60,04,758)
4	Eastern RamGanga Valley Hydel Projects Company Private Limited	-2.42%	(2,62,64,535)	15.51%	(1,80,50,919)	0.00%	-	15.62%	(1,80,50,919)
5	Sarju Valley Hydel Projects Company Private Limited	-1.41%	(1,53,40,465)	9.44%	(1,09,88,737)	0.00%	-	9.51%	(1,09,88,737)
6	EDCL Arunachal Hydro Project Private Limited (w.e.f 01st October, 2016)	-0.79%	(85,96,883)	0.82%	(9,48,665)	0.00%	-	0.82%	(9,48,665)
<b>Associate</b>									
7	Arunachal Hydro Power Limited (w.e.f. 28th March, 2017)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Less: Share of Non Controlling Interest</b>		1.97%	2,14,01,172	-12.62%	1,46,85,801	0.00%	-	-12.71%	1,46,85,801
<b>Total</b>			<b>1,08,46,29,560</b>		<b>(11,63,78,524)</b>		<b>8,25,333</b>		<b>(11,55,53,191)</b>

For the year ended 31.03.2017

Sl No.	Name of the Company	Net Assets		Share in profit or loss		Share in OCI		Share in Total Comprehensive Income	
		As a % of consolidated net assets	Amount (₹)	As a % of consolidated profit or loss	Amount (₹)	As a % of consolidated OCI	Amount (₹)	As a % of consolidated profit or loss	Amount (₹)
		As at 31st March 2017	As at 31st March 2017 (₹)	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17
1	Energy Development Company Limited	144.10%	1,77,06,00,754	644.24%	29,93,63,924	14.33%	1,50,608	630.31%	29,95,14,532
<b>Subsidiaries</b>									
2	Ayyappa Hydro Power Limited	-39.09%	(48,02,69,176)	-186.88%	(8,68,37,478)	37.58%	3,94,928	-181.91%	(8,64,42,550)
3	EDCL Power Projects Limited	-3.43%	(4,21,45,768)	-63.90%	(2,96,92,903)	48.09%	5,05,374	-61.42%	(2,91,87,528)
4	Eastern RamGanga Valley Hydel Projects Company Private Limited	-0.97%	(1,19,07,001)	-15.89%	(73,82,349)	0.00%	-	-15.54%	(73,82,349)
5	Sarju Valley Hydel Projects Company Private Limited	-0.55%	(67,33,861)	-1.49%	(6,91,143)	0.00%	-	-1.45%	(6,91,143)
6	EDCL Arunachal Hydro Project Private Limited (w.e.f 01st October, 2016)	-0.61%	(74,92,488)	-1.45%	(6,71,805)	0.00%	-	-1.41%	(6,71,805)
7	Arunachal Hydro Power Limited (Upto 27th March, 2017)	0.00%	-	-289.09%	(13,43,35,582)	0.00%	-	-282.70%	(13,43,35,582)
<b>Associate</b>									
8	Arunachal Hydro Power Limited (w.e.f. 28th March, 2017)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Less: Share of Non Controlling Interest</b>		0.55%	67,15,372	14.45%	67,15,372	0.00%	-	14.13%	67,15,372
<b>Total</b>			<b>1,22,87,67,832</b>		<b>4,64,68,036</b>		<b>10,50,911</b>		<b>4,75,18,947</b>





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## NOTE 51

These consolidated financial statements have been approved by the Board of Directors of the Company on 7th June, 2018 for issue to the shareholders for their adoption.

## NOTE 52

### COMPARATIVES

As given in Note 8(a) and 8(c), previous year's figures as at 1st April, 2016 are not comparable to the figures as at 31st March, 2018 and 31st March, 2017.

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As per our Report of even date  
For **A L P S & Co**  
Chartered Accountants  
Firm's ICAI Registration No. 313132E

Sd/- **A. K. Khetawat**  
*Partner*  
Membership No. 052751

Place : New Delhi  
Dated : 7th June, 2018

### For and on behalf of the Board of Directors

Sd/- **Amar Singh**, *Non Executive Director* (DIN : 00165567)

Sd/- **Pankaja Kumari Singh**, *Director* (DIN : 00199454)

Sd/- **Vinod Kumar Sharma**, *Executive Director* (DIN : 02879206)

Sd/- **Vijoy Kumar**, *Director* (DIN : 02970626)

Sd/- **Sunil Dutt Sharma**, *Chief Financial Officer*

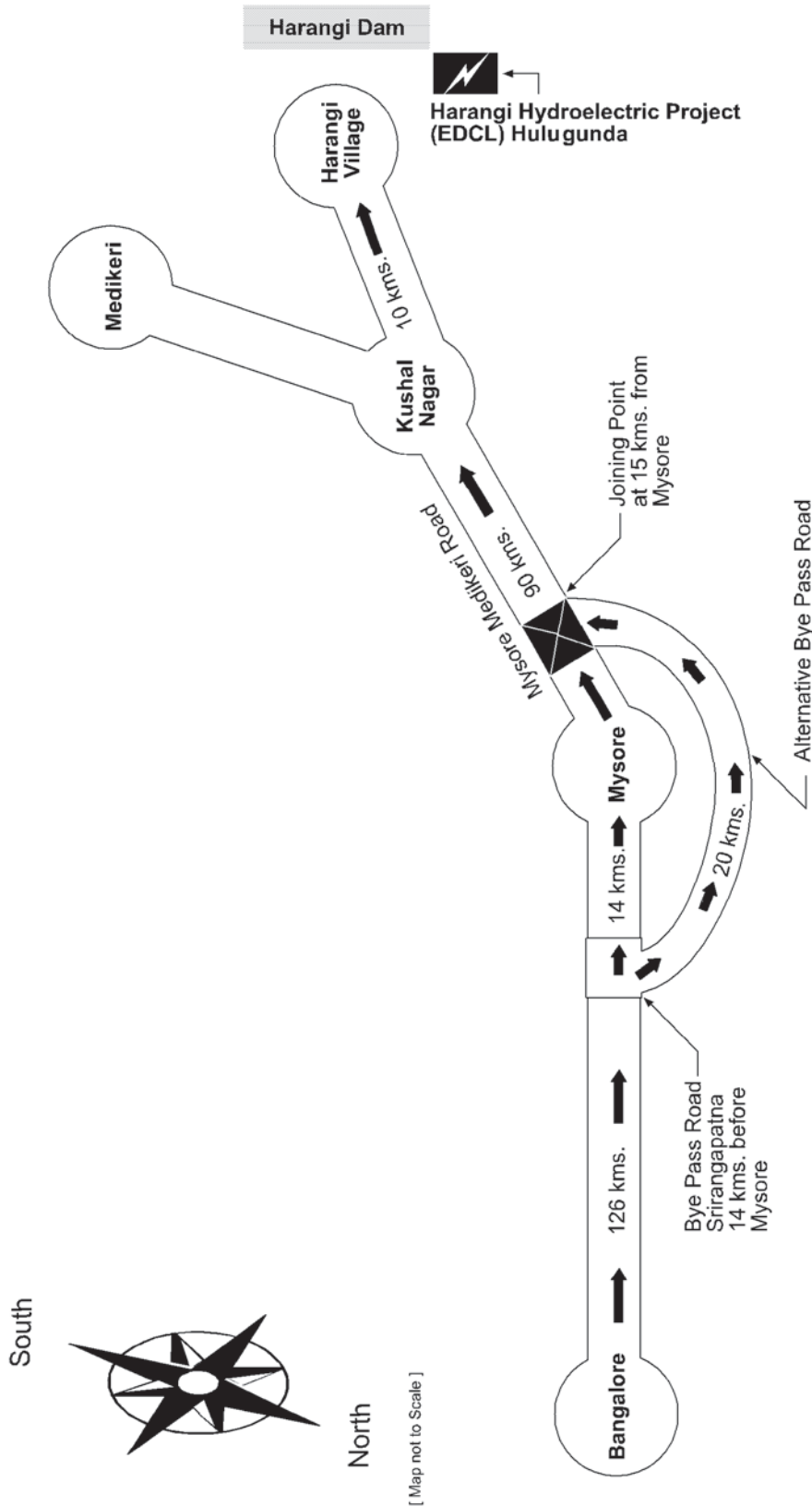
Sd/- **Vijayshree Binnani**, *Company Secretary*







**ROUTE MAP TO THE VENUE OF THE 23<sup>RD</sup> ANNUAL GENERAL MEETING**



**ROUTE MAP TO EDCL PLANT SITE AT HARANGI HARANGI HYDROELECTRIC PROJECT**

Hulugunda Via. Kushal Nagar  
Dist. : Kodagu, Karnataka - 571 233



## ENERGY DEVELOPMENT COMPANY LIMITED

CIN : L85110KA1995PLC017003

Regd. Office : Harangi Hydroelectric Project, Village – Hulugunda, Taluka – Somawarpet, District – Kodagu, Karnataka – 571 233

Phone : (08276) 277040, Fax : (08276) 277012

E-mail : edclhhep@gmail.com, Website : www.edclgroup.com

### PROXY FORM – MGT -11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No. / Client ID :

DP ID :

I / We, being the member(s) holding ..... shares of abovementioned Company hereby appoint :

- (1) Name ..... Address .....  
E-mail ID ..... Signature ..... or failing him / her;
- (2) Name ..... Address .....  
E-mail ID ..... Signature ..... or failing him / her;
- (3) Name ..... Address .....  
E-mail ID ..... Signature .....

as my /our proxy to attend and vote (on a poll) for me / us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on Saturday, the September 29, 2018 at 10:00 A.M. at Harangi Hydro Electric Project, Village – Hulugunda, Taluka – Somawarpet, District – Kodagu, Karnataka – 571 233 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description	OPTIONAL	
		FOR	AGAINST
<b>Ordinary Businesses</b>			
1.	To Consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on March 31, 2018 alongwith the Reports of the Board of Directors and Auditors thereon.		
2.	To declare dividend for the financial year ended on March 31, 2018.		
3.	To appoint Mr. Amar Singh (DIN : 00165567) as Director, who retires by rotation and being eligible, offers himself for re-appointment.		
<b>Special Businesses</b>			
4.	To ratify the remuneration of the Cost Auditors for the financial year ending on March 31, 2019.		
5.	To appoint Mr. Vinod Kumar Sharma (DIN : 02879206) as an Executive Director.		

Signed this ..... day of ....., 2018.

Signature of Shareholder(s) .....

Signature of Proxy holders(s) .....

Affix  
Re.1/-  
Revenue  
Stamp

**Note :** This form of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.



(TEAR HEAR)



**ENERGY DEVELOPMENT COMPANY LIMITED**

CIN : L85110KA1995PLC017003

Regd. Office : Harangi Hydroelectric Project, Village – Hulugunda, Taluka – Somawarpet, District – Kodagu, Karnataka – 571 233

Phone : (08276) 277040, Fax : (08276) 277012

E-mail : edclhhep@gmail.com, Website : www.edclgroup.com

**ATTENDANCE SLIP**

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.**

Joint Shareholders may obtain additional slip on request.

Name and Address of the Shareholder : .....

Folio No. : .....

DP ID : .....

Client ID : .....

No. of Shares : .....

I hereby record my presence at the **23rd Annual General Meeting** of the Company, to be held on Saturday, the September 29, 2018 at 10:00 A.M. at the Registered Office of the Company at Harangi Hydro Electric Project, Village – Hulugunda, Taluka – Somawarpet, District – Kodagu, Karnataka – 571 233.

.....  
Signature of the Shareholder / Proxy\*

\*Strike out whichever is not applicable.





*If undelivered, please return to :*



**Energy Development Company Limited**

'EDCL House', 1A Elgin Road, Kolkata - 700 020