

INDEPENDENT AUDITORS' REPORT**The Members of****EDCL Arunachal Hydro Project Private Limited****Report on the IND AS Financial Statements**

We have audited the accompanying IND AS financial statements of **EDCL Arunachal Hydro Project Private 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 "Ind AS financial statements").

Management's Responsibility for the 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 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 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 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 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 Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 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 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.

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 other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations as at the year end which would impact which would impact its financial position.
 - ii. The Company does not have any long term contracts, including derivative contracts, for which there were any material foreseeable losses.



- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The reporting requirement on disclosures relating to specified Bank note is not applicable to the company for the year ended 31st March, 2018

Place: New Delhi
Date: 30th May, 2018



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

A handwritten signature in black ink, appearing to read "Prashant Khandelwal".

Prashant Khandelwal
Partner

Membership No: 056652

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

- 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. The Company has no immovable property and accordingly, the provisions of Clause 3 (i) (c) of the Order are not applicable to the Company.
- ii) The Company has no inventory and accordingly, the provisions of Clause 3 (ii) of the Order are not applicable to the Company.
- iii) According to information and explanations given to us, the Company has not granted any loans, secured and unsecured, to companies listed in the register maintained under Section 189 of the Act. Accordingly, the provisions of Clause 3(iii) of the Order are not applicable to the Company.
- iv) According to the information and explanations given to us, the Company has not given any loan or guarantee or provided any security in connection with loan during the year. Accordingly, the provision of Clause 3(iv) of the Order is not applicable to the Company.
- v) The Company has not accepted any deposits from the public and accordingly, the provisions of Section 73 to 76 or any other relevant provisions of the Act are not applicable.
- vi) The Company is not required to maintain Cost Records prescribed by the Central Government under Section 148(1) of the Act. Accordingly, the provisions of Clause 3(vi) of the Order are not applicable to the Company.
- vii)
 - a. According to records of the Company, undisputed statutory dues including Service Tax, Tax Deducted at Source, Goods and Service Tax and Professional Tax have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2018 for a period more than six months from the date of becoming payable. Other statutory dues like Provident Fund, Employee's State Insurance, Sales Tax, Income Tax, Customs Duty, Excise Duty, Value Added Tax, Cess etc. are not applicable to the Company during the year.
 - b. According to the information and explanations given to us, there were no dues in respect of above mentioned statutory dues which have not been deposited on account of any dispute.
- viii) The Company has no amounts due to financial institutions, government or debenture holders during the year. Accordingly, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix) Based on our audit procedures performed and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer and term loan.
- 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, no managerial remuneration has



been paid or provided during the year and accordingly, the provisions of Clause 3(xi) of the Order is not applicable to the Company.

- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly, the provision of Clause 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the notes to the standalone Ind AS 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.



Place: New Delhi
Date: 30th May, 2018

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

Prashant Khandelwal

Prashant Khandelwal
Partner
Membership No: 056652

EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED
Balance Sheet as at 31st March, 2018

Particulars	Note No.	As at 31st March 2018 (₹)	As at 31st March 2017 (₹)	As at 1st April 2016 (₹)
ASSETS				
(1) Non Current Assets				
(a) Property, Plant and Equipment	5	35,73,950	46,94,894	61,92,605
(b) Deferred Tax Asset (Net)	6	2,80,330	33,279	-
(c) Current Tax Assets (Net)	7	9,000	9,000	3,000
(2) Current Assets				
(a) Financial Assets				
(i) Trade Receivables	8	4,41,000	4,41,000	1,47,000
(ii) Cash & Cash Equivalents	9	2,82,733	1,11,532	1,29,227
TOTAL ASSETS		45,87,014	52,89,706	64,71,833
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	10	1,01,00,000	1,01,00,000	1,01,00,000
(b) Other Equity	11	(81,19,155)	(70,48,918)	(56,83,270)
		19,80,845	30,51,082	44,16,730
LIABILITIES				
(1) Non Current Liabilities				
(a) Financial Liabilities : Borrowings	12	-	12,35,666	10,67,670
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	16,07,236	-	-
(i) Trade Payables	14	32,950	36,426	20,900
(ii) Other Financial Liabilities	15	9,63,833	9,63,833	9,63,833
(b) Other Current Liabilities	16	2,150	2,700	2,700
TOTAL EQUITY & LIABILITIES		45,87,014	52,89,706	64,71,833

Significant Accounting Policies

3

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

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

Prashant Khandelwal

Prashant Khandelwal
Partner
Membership No. 056652



For and on behalf of the Board of

Amar Singh
Amar Singh (Director) (DIN 00165567)

Pankaj Kumari Singh
Pankaja Kumari Singh (Director) (DIN 00199454)

S. P. Singh
S. P. Singh (Director) (DIN 01055370)

Place : New Delhi
Dated : 30th May, 2018

EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED
Statement of Profit & Loss for the year ended 31st March, 2018

(Amount in ₹)

Particulars	Note No	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME			
Other Income	17	-	3,00,000
(A) TOTAL INCOME		-	3,00,000
EXPENSES			
Finance Costs	18	1,55,730	1,29,234
Depreciation and Amortisation Expense	19	11,20,944	14,97,711
Other Expenses	20	74,774	83,221
(B) TOTAL EXPENSES		13,51,448	17,10,166
(C) Profit/(Loss) before tax for the year(A-B)		(13,51,448)	(14,10,166)
Tax Expense:	25		
(1) Current Tax		-	-
(2) Deferred Tax charge/ (credit)	6.1	(2,47,051)	(33,279)
(D) Total Tax Expenses/ (credit) (1+2)		(2,47,051)	(33,279)
(E) Profit/(Loss) for the Year (C-D)		(11,04,396)	(13,76,887)
OTHER COMPREHENSIVE INCOME			
i. Items that will not be reclassified to profit or loss		-	-
ii. Income tax relating to items that will not be reclassified to profit or loss		-	-
(F) Other Comprehensive Income for the year (net of tax)		-	-
Total Comprehensive Income/ (Loss) for the year (E+F)		(11,04,396)	(13,76,887)
Earnings per equity share of ₹ 10 each fully paid up -Basic and Diluted	23	(1.09)	(1.36)

Significant Accounting Policies

3

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

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

Prashant Khandelwal

Prashant Khandelwal
Partner
Membership No. 056652



Place : New Delhi
Dated : 30th May, 2018

For and on behalf of the Board of Directors

Amar Singh
Amar Singh (Director) (DIN 00165567)

Pankajakumari Singh
Pankaja Kumari Singh (Director) (DIN 00199454)

S. P. Singh
S. P. Singh (Director) (DIN 01055370)

EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED
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	1,01,00,000
Changes during the year	-
Balance as at March 31, 2017	1,01,00,000
Changes during the year	-
Balance as at March 31, 2018	1,01,00,000

(ii) Other Equity

As at March 31, 2018

(Amount in ₹)

Particulars	Deemed Equity	Revenue & Surplus	Total
		Retained Earning	
Balance as at March 31, 2017	4,43,569	(74,92,487)	(70,48,918)
Profit/ (loss) for the year	-	(11,04,396)	(11,04,396)
Other Comprehensive Income for the year	-	-	-
Changes during the year	34,159	-	34,159
Total comprehensive income/ (loss) for the year	-	(11,04,396)	(11,04,396)
Balance as at March 31, 2018	4,77,728	(85,96,883)	(81,19,155)

As at March 31, 2017

(Amount in ₹)

Balance as at April 1, 2016	4,32,330	(61,15,600)	(56,83,270)
Profit/ (loss) for the year	-	(13,76,887)	(13,76,887)
Other Comprehensive Income for the year	-	-	-
Changes during the year	11,239	-	11,239
Total comprehensive income/ (loss) for the year	-	(13,76,887)	(13,76,887)
Balance as at March 31, 2017	4,43,569	(74,92,487)	(70,48,918)

Refer Note no. 11 for nature and purpose of reserves.

Significant Accounting Policies and other accompanying notes (1-28) are in intergral part of the financial statements.

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

Prashant Khandelwal
 Prashant Khandelwal
 Partner
 Membership No. 056652



For and on behalf of the Board of Directors

Amar Singh
 Amar Singh (Director) (DIN 00165567)

Pankajakumari Singh
 Pankaja Kumari Singh (Director) (DIN 00199454)

S. P. Singh
 S. P. Singh (Director) (DIN 01055370)

Place : New Delhi
 Dated : 30th May, 2018

EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	31.03.2018		31.03.2017	
	AMOUNT(₹)	AMOUNT(₹)	AMOUNT(₹)	AMOUNT(₹)
A) Cash Flow From Operating Activities:				
Profit/ (Loss) before tax		(13,51,448)		(14,10,166)
Adjustments for :				
Interest and Finance Charges	1,55,730		1,29,234	
Depreciation and amortisation expense	11,20,944	12,76,674	14,97,711	16,26,945
Operating Profit before Working Capital Changes		(74,774)		2,16,780
Adjustments for :				
(Increase)/Decrease in Trade and Other Receivables	-		(2,94,000)	
Increase/(Decrease) in Trade and Other payables	(4,026)	(4,026)	15,526	(2,78,475)
Cash generated from operations		(78,799)		(61,695)
Direct Taxes paid (Net of refund)		-		(6,000)
Net Cash Flow from Operating Activities		(78,799)		(67,695)
B) Cash Flow from Investing Activities				
Net Cash Flow from Investing Activities		-		-
C) Cash Flow from Financing Activities				
Proceeds from / (Repayment) of Borrowings		2,50,000		50,000
Net Cash flow from Financing Activities		2,50,000		50,000
Net Increase/(Decrease) in Cash and Cash Equivalents		1,71,201		(17,695)
Cash and Cash equivalents at the beginning of the year		1,11,532		1,29,227
Cash and Cash equivalents at the end of the year (Refer Note 9)		2,82,733		1,11,532

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

Notes :-

1). The Cash Flow Statement is prepared by the " Indirect Method" as set out in the Indian Accounting Standard-7 on Cash Flow Statement.

2) Cash and cash equivalents as at the Balance Sheet date consists of:

Particulars	As at 31.03.2018	As at 31.03.2017
Cash and cash equivalents (Refer Note 9)		
- Balance with Banks on Current Accounts	2,82,733	1,11,532
- Cash on hand	-	-
Cash and Cash equivalents at the end of the year	2,82,733	1,11,532

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

Particulars	As at 31.03.2017	Cash flows*	Non-Cash Flows	As at 31.03.2018
Non-current borrowings (Refer Note 12)				
- Loan from Related Party- Holding Company	12,35,666	(12,35,666)	-	-
Deemed Equity (Refer Note 11)	4,43,569	34,159	-	4,77,728
Current maturities of long term debt (Refer Note no. 13)				
- Loan from Related Party- Holding Company	-	16,07,236	-	16,07,236
Interest accrued and due on borrowings (Refer Note no. 15)				
- Related Parties	9,63,833	(1,55,730)	1,55,730	9,63,833
Total	26,43,068	2,50,000	1,55,730	30,48,798

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

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

Shandelwal
Prashant Khandelwal
Partner
Membership No. 056652



For and on behalf of the Board of

Amar Singh
Amar Singh (Director) (DIN 00165567)

Pankaja Kumari Singh
Pankaja Kumari Singh (Director) (DIN 00199454)

S. P. Singh
S. P. Singh (Director) (DIN 01055370)

Place : New Delhi
Dated : 30th May, 2018

EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31st March, 2018

NOTE 1

CORPORATE INFORMATION

EDCL Arunachal Hydro Project Private Limited ('the company') is a public limited company domiciled and incorporated in India under the provisions of Companies Act. The registered office of the company is at "EDCL HOUSE" 1A, Elgin Road, Kolkata, West Bengal 700020 and the company is primarily engaged in renting of Plant & Machinery.

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. 27), 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. 26 of the financial statement.

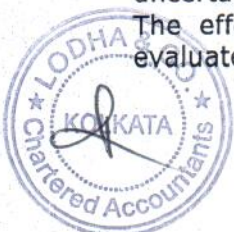
2.2 Recent Pronouncements

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.

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.

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.



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 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 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.

3.3 Depreciation and Amortisation

Depreciation on all assets have been provided on written down value method at the rates 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)
Plant and Equipments	7.5 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years

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

3.4 Derecognition of Tangible Assets

An item of tangible 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.

3.5 Impairment of Tangible Assets

Tangible 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.

3.6 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 income statement 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.

3.7 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.

3.8 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.

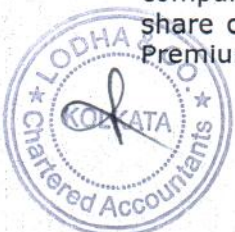
Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.9 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.

3.10 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.

3.11 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.

3.12 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.

3.13 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 lease rental for operating lease are recognised as an income on straight line basis over the lease term as per terms of the agreement on an accrual basis.

3.14 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.

3.15 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.

NOTE 4

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 been summarised here under:

4.1 Depreciation on property, plant and equipment.

Property, plant and equipment are depreciated 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 assets regularly in order to determine the amount of depreciation amount to be recorded during any reporting period. The company reviews its carrying value of its Tangible whenever there is objective evidence that the assets are impaired. In such situation Assets' recoverable amount is estimated



which is higher of asset's 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 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 Income taxes

Management judgement 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.

4.4 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.



EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED
Notes to Financial Statements for the Year ended 31st March, 2018

Note 5
Property, Plant and Equipment

As at 31 March, 2018

(Amount in ₹)

Particulars	Furniture and Fixtures	Motor Vehicles	Office Equipment	Plant & Equipment (Refer Note No:17.1)	Total
GROSS CARRYING VALUE					
Balance as at 31st March 2017	8,81,581	56,948	5,08,389	47,45,687	61,92,605
Additions/Adjustments	-	-	-	-	-
Deletions/ Adjustments	-	-	-	-	-
Balance as at 31st March 2018	8,81,581	56,948	5,08,389	47,45,687	61,92,605
ACCUMULATED DEPRECIATION					
Balance as at 31st March 2017	2,28,741	17,849	2,00,950	10,50,171	14,97,711
During the year	1,69,390	12,255	1,21,521	8,17,779	11,20,944
Deletions/ Adjustments	-	-	-	-	-
Balance as at 31st March 2018	3,98,131	30,104	3,22,471	18,67,950	26,18,655
NET CARRYING VALUE as at 31st March 2018 (1-2)	4,83,450	26,844	1,85,918	28,77,737	35,73,950

As at 31 March, 2017

(Amount in ₹)

Particulars	Furniture and Fixtures	Motor Vehicles	Office Equipment	Plant & Equipment (Refer Note No:17.1)	Total
GROSS CARRYING VALUE					
Balance as at 1st April 2016 (Deemed Cost)	8,81,581	56,948	5,08,389	47,45,687	61,92,605
Additions/Adjustments	-	-	-	-	-
Deductions/ Adjustments	-	-	-	-	-
Balance as at 31st March 2017	8,81,581	56,948	5,08,389	47,45,687	61,92,605
ACCUMULATED DEPRECIATION					
Balance as at 1st April 2016	-	-	-	-	-
During the year	2,28,741	17,849	2,00,950	10,50,171	14,97,711
Deletions/ Adjustments	-	-	-	-	-
Balance as at 31st March 2017	2,28,741	17,849	2,00,950	10,50,171	14,97,711
Net Carrying value as at March 31, 2017	6,52,840	39,099	3,07,439	36,95,516	46,94,894

Note:

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 block carrying amount has been considered as the gross block carrying amount on that date.



EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED
Notes to Financial Statements for the Year ended 31st March, 2018

6 Deferred tax Assets / (Liability)

Particulars	Ref Note No	(Amount in ₹)		
		As at March 31,2018	As at March 31,2017	As at April 1,2016
a. Deferred Tax Asset	6.1	2,80,330	33,279	-
b. Deferred Tax Liability	6.1	-	-	-
Deferred Tax Assets / (Liability) (Net)		2,80,330	33,279	-

6.1 Component of Deferred tax Asset / (liabilities) as at 31st March, 2018 are given below:

Particulars	(Amount in ₹)		
	As at March 31,2017	Charge/ (credit) to profit or loss	As at March 31,2018
Deferred tax asset / (liability) in relation to:			
Property, plant and equipment	-	(2,39,841)	2,39,841
Brought Forward Losses	33,279	(7,211)	40,490
Total	33,279	(2,47,051)	2,80,330

Component of Deferred tax Asset / (liabilities) as at 31st March, 2017 are given below:

Particulars	(Amount in ₹)		
	As at April 1,2016	Charge/ (credit) to profit or loss	As at March 31,2017
Deferred tax asset / (liability) in relation to:			
Property, plant and equipment	-	-	-
Brought Forward Losses	-	(33,279)	33,279
Total	-	(33,279)	33,279

7 Current Tax Assets

Particulars	Ref Note No	(Amount in ₹)		
		As at March 31,2018	As at March 31,2017	As at April 1,2016
Advance tax including Tax Deducted at Source (Net of Provisions)		9,000	9,000	3,000
Total		9,000	9,000	3,000

8 Current Financial Assets: Trade Receivable

Particulars	Ref Note No	(Amount in ₹)		
		As at March 31,2018	As at March 31,2017	As at April 1,2016
Unsecured - considered good	8.1			
Outstanding for period exceeding six months from the date they are due for payment		4,41,000	1,47,000	-
Others		-	2,94,000	1,47,000
Total		4,41,000	4,41,000	1,47,000

8.1 Ageing of Trade Receivable

Particulars	(Amount in ₹)		
	As at March 31,2018	As at March 31,2017	As at April 1,2016
Within the credit period	-	2,94,000	1,47,000
1-180 days past due	-	-	-
More than 180 days past due	4,41,000	1,47,000	-
Total	4,41,000	4,41,000	1,47,000

9 Cash And Cash Equivalents

Particulars	Ref Note No	(Amount in ₹)		
		As at March 31,2018	As at March 31,2017	As at April 1,2016
Balances with banks:				
On current accounts		2,82,733	1,11,532	1,29,227
Cash on hand		-	-	-
Total		2,82,733	1,11,532	1,29,227



EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED
Notes to Financial Statements for the Year ended 31st March, 2018

10 Equity Share Capital

(Amount in ₹)				
Particulars	Ref Note No	As at March 31,2018	As at March 31,2017	As at April 1,2016
Authorised Shares				
Equity Shares of ₹ 10/- Each		1,10,00,000	1,10,00,000	1,10,00,000
		<u>1,10,00,000</u>	<u>1,10,00,000</u>	<u>1,10,00,000</u>
Issued, Subscribed & Fully Paid Up Shares				
Equity Shares of ₹ 10/- Each		1,01,00,000	1,01,00,000	1,01,00,000
		<u>1,01,00,000</u>	<u>1,01,00,000</u>	<u>1,01,00,000</u>
Reconciliation of Outstanding Number of Equity Shares				
Opening Balance		10,10,000	10,10,000	10,10,000
Closing Balance		<u>10,10,000</u>	<u>10,10,000</u>	<u>10,10,000</u>

Shareholders holding more than 5% Equity shares :-

Name of the Shareholders	Number of Shares Held	Number of Shares Held	Number of Shares Held
- Energy Development Company Limited	10,10,000 (100 %)	10,10,000 (100 %)	10,000 (0.99%)
- Arunachal Hydro Power Limited	-	-	10,00,000 (99.01%)

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.

11 Other Equity

(Amount in ₹)				
Particulars	Ref Note No	As at March 31,2018	As at March 31,2017	As at April 1,2016
a. Retained Earnings	11.2	(85,96,883)	(74,92,487)	(61,15,600)
b. Deemed Equity	11.3	4,77,728	4,43,569	4,32,330
Total		(81,19,155)	(70,48,918)	(56,83,270)

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

Retained earnings

11.2 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.

11.3 Deemed Equity

It comprises of the difference between the fair value and the transaction value of loan received from holding company.

12 Non Current Financial Liability- Borrowing

(Amount in ₹)				
Particulars	Ref Note No	As at March 31,2018	As at March 31,2017	As at April 1,2016
Unsecured Loans:				
Loan from Related Party				
Loan from Holding Company	12.1 & 21	-	12,35,666	10,67,670
Total		-	12,35,666	10,67,670

12.1 "Loans from Holding Company" is repayable in the financial year 2018-19.

13 Current Financial Liability- Borrowing

(Amount in ₹)				
Particulars	Ref Note No	As at March 31,2018	As at March 31,2017	As at April 1,2016
Unsecured Loans:				
Loan from Related Party				
Loan from Holding Company	12.1 & 21	16,07,236	-	-
Total		16,07,236	-	-



EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED
Notes to Financial Statements for the Year ended 31st March, 2018

14 Trade Payables

Particulars	Ref Note No	(Amount in ₹)		
		As at March 31,2018	As at March 31,2017	As at April 1,2016
For goods and services				
- Dues of Micro and Small Enterprises	14.1	-	-	-
- Others	14.2	32,950	36,426	20,900
Total		32,950	36,426	20,900

- 14.1 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.
- 14.2 Includes ₹ NIL/- (PY March 31, 2017: ₹176/- & April 1, 2016: ₹ Nil/-) payable to Holding Company (Refer Note 21)

15 Current-Other Financial Liabilities

Particulars	Ref Note No	(Amount in ₹)		
		As at March 31,2018	As at March 31,2017	As at April 1,2016
Interest accrued and due on borrowings				
- Related Parties	21	9,63,833	9,63,833	9,63,833
Total		9,63,833	9,63,833	9,63,833

16 Other Current Liabilities

Particulars	Ref Note No	(Amount in ₹)		
		As at March 31,2018	As at March 31,2017	As at April 1,2016
Statutory Liabilities/ Payables		2,150	2,700	2700
Total		2,150	2,700	2,700



EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED
Notes to Financial Statements for the Year ended 31st March, 2018

17 Other Income		(Amount in ₹)	
Particulars	Ref Note No	For the year ended on March 31, 2018	For the year ended on March 31, 2017
Rental Income on Plant & Machinery	17.1	-	3,00,000
Total		-	3,00,000

17.1 The company 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.

18 Finance Cost		(Amount in ₹)	
Particulars	Ref Note No	For the year ended on March 31, 2018	For the year ended on March 31, 2017
Interest on Borrowings	21	1,55,730	1,29,234
Total		1,55,730	1,29,234

19 Depreciation And Ammortisation		(Amount in ₹)	
Particulars	Ref Note No	For the year ended on March 31, 2018	For the year ended on March 31, 2017
Depreciation on Property, Plant and Equipment	5	11,20,944	14,97,711
Total		11,20,944	14,97,711

20 Other Expense		(Amount in ₹)	
Particulars	Ref Note No	For the year ended on March 31, 2018	For the year ended on March 31, 2017
Payment to Auditors (excluding service tax) :			
- As Auditors		20,000	20,000
Rates & Taxes		24,639	21,611
Professional Charges		13,500	15,000
Miscellaneous Expenses		16,635	26,610
Total		74,774	83,221



EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED

Notes to Financial Statements for the Year ended 31st March, 2018

NOTE 21

Related Party disclosure as per Indian Accounting Standard (IND AS – 24)

Relationship	Name of the Party
a) Holding Company	Energy Development Company Limited (w.e.f 1st October, 2016)
b) Holding Company	Arunachal Hydro Power Limited (till 30th September, 2016)
c) Fellow Subsidiaries through the Holding Company	EDCL Power Projects Limited
d) Individuals having significant influence directly or indirectly (Promoter and their relatives)	Amar Singh
	Pankaja Kumari Singh
e) Enterprises over which individuals mentioned in (d) above exercises significant influence	Startrack Vinimay Private Limited

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

Particulars	2017-2018 (₹)	2016-2017 (₹)
Transactions during the year:		
i) Unsecured Loan received	2,15,841	38,761
ii) Interest paid on loan received	1,55,730	1,29,234
iii) Expenses incurred by the party on behalf of the company	89	176
iv) Expenses Reimbursed to the party	265	-

Particulars	31.03.2018 (₹)	31.03.2017 (₹)	1.04.2016 (₹)
Balances as at the year end :			
i) Unsecured Loans	16,07,326	12,35,666	10,67,870
ii) Trade Payable	-	176	

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

Particulars	2017-18 (₹)	2016-17 (₹)
Transactions during the year		
i) Expenses incurred by the company on behalf of the party -EDCL Power Projects Limited	46,000.00	-
ii) Expenses Reimbursed to the company -EDCL Power Projects Limited	46,000.00	-
iii) Expenses incurred by the party on behalf of the company -EDCL Power Projects Limited	2,156	-
iv) Expenses Reimbursed to the party -EDCL Power Projects Limited	2,156	-

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

Particulars	2017-2018(₹)	2016-2017 (₹)
Transaction during the year :		
i) Board Meeting Fees :		
- Amar Singh	-	3,000
- Pankaja Kumari Singh	-	1,000

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

Particulars	31.03.2018 (₹)	31.03.2017 (₹)	1.04.2016 (₹)
Balances as at the year end :			
i) Interest accrued and due (Payable)	9,63,833	9,63,833	9,63,833

Notes :

i) 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.

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



EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED
Notes to Financial Statements for the Year ended 31st March, 2018

NOTE 22

Operating Lease:

The Company had given certain plant and equipments under cancellable operating leases during the previous year ended 31st March, 2017. The lease term had an option of renewal on expiry of the lease period based on the mutual agreement of both the parties. The aggregate lease rentals of ₹ Nil (Previous Year ₹ 3,00,000/-) are included as "Rental Income on Plant & Machinery" in Note 17 of the financial statement.

NOTE 23

Earnings Per Share (EPS) :

Particulars	For the year ended on March 31, 2018	For the year ended on March 31, 2017
Profit /(Loss) after Tax	(11,04,396)	(13,76,887)
Weighted Average Number of Equity Shares (in No)	10,10,000	10,10,000
Earnings per share – Basic and Diluted (In ₹)	(1.09)	(1.36)

NOTE 24

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Segment manager who allocates resources and assess the operating activities, financial results, forecasts, or plans for the segment.

The company operates primarily in one business segment i.e. "generation of electricity" and all other activities revolve around main activity.

NOTE 25

Tax Expense

25.1 - Components of Tax Expense

Particulars	(Amount in ₹)	
	For the year ended on March 31, 2018	For the year ended on March 31, 2017
Current Tax		
In respect of Current Year	-	-
Deferred Tax		
In respect of the current year	(2,47,051)	(33,279)
Total Tax expense recognised in the current year	(2,47,051)	(33,279)

25.2 - Reconciliation of Income tax expense for the year with accounting profit is as follows :

Particulars	(Amount in ₹)	
	For the year ended on March 31, 2018	For the year ended on March 31, 2017
Profit before tax	(13,51,448)	(14,10,166)
Applicable Tax Rate	26.00%	25.75%
Income tax expense calculated as per Applicable tax rate	(3,51,376)	(3,63,118)
Add : Effect of non recognition of Deferred Tax Asset due to lack of availability of sufficient future taxable income	1,04,325	3,29,839
Income tax expense recognised in profit and loss	(2,47,051)	(33,279)



26 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:

Particulars	(Amount in ₹)		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Total Debt (Net of Cash & Cash equivalent)	13,24,503	11,24,134	9,38,443
Total Equity	1,01,00,000	1,01,00,000	1,01,00,000
Debt Equity Ratio	0.13	0.11	0.09

Categories of financial instruments

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

Particulars	(Amount in ₹)		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Financial Assets (Current and Non-Current)			
Measured at Amortised Cost			
(i) Trade Receivables	4,41,000	4,41,000	1,47,000
(ii) Cash & Cash Equivalents	2,82,733	1,11,532	1,29,227
Total	7,23,733	5,52,532	2,76,227
Financial Liabilities (Current and Non-Current)			
Measured at amortised Cost			
(i) Borrowings	16,07,236	12,35,666	10,67,670
(ii) Trade Payable	32,950	36,426	20,900
(iii) Other Financial Liabilities	9,63,833	9,63,833	9,63,833
Total	26,04,019	22,35,924	20,52,403

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 Board 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 debt has been contracted at fixed rates of interest. Fair value of fixed interest rate borrowings approximates their carrying value of such long-term debt approximates fair value subject to adjustments made for transaction cost.

Fair value hierarchy

Fair valuation of Financial assets and liabilities not within the operating cycle of the company is amortised based on the borrowing rate of the company.

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 no outstanding Derivative contracts as on 31st March, 2018.

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	(Amount in ₹)		
	Increase in basis points	For the year ended March 31, 2018	For the year ended March 31, 2017
Loan from Related Parties	0.25	482	371

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 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. However, the company does not face such risks.

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, 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
As at March 31, 2018				
Interest bearing borrowings (including current maturities)	16,07,236	-	-	16,07,236
Interest Accrued and Due on borrowings	9,63,833	-	-	9,63,833
Trade Payable	32,950	-	-	32,950
Total	26,04,019	-	-	26,04,019
As at March 31, 2017				
Interest bearing borrowings (including current maturities)	-	12,35,666	-	12,35,666
Interest Accrued and Due on borrowings	9,63,833	-	-	9,63,833
Trade Payable	36,426	-	-	36,426
Total	10,00,259	12,35,666	-	22,35,924
As at April 1, 2016				
Interest bearing borrowings (including current maturities)	-	10,67,670	-	10,67,670
Interest Accrued and Due on borrowings	9,63,833	-	-	9,63,833
Trade Payable	20,900	-	-	20,900
Total	9,84,733	10,67,670	-	20,52,403

The company's payable includes borrowing from holding company and trade payables. It has current financial assets which will be realised in ordinary course of business and can be used to meet its obligations. 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 internal generation to meet its need for funds.



27 A. FIRST TIME ADOPTION OF IND AS- Reconciliations in terms of Ind AS 101

(a) 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 waived by the Company as detailed below:

(b) Mandatory exceptions and optional exemptions

Classification of debt instruments:

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVOCI criteria based on the facts and circumstances that existed as of the transition date.

Deemed cost for property, plant and equipment:

The Company has elected to continue with the carrying value of all of its plant and equipment 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.

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.

Classification and measurement of financial assets:

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.

27.1 Effect of Ind AS adoption on the standalone balance sheet as at 31st March, 2017 and 1st April, 2016

Particulars	Note No. 26 (c)	As at March 31 2017				As at April 01 2016			
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet		
ASSETS									
(1) Non Current Assets									
(a) Property, Plant & Equipment		46,94,894	-	46,94,894	61,02,605	-	61,92,605		
(b) Deferred Tax Assets (Net)		-	33,279	33,279	-	-	-		
(c) Current Tax Assets (Net)		9,000	-	9,000	3,000	-	3,000		
(2) Current Assets									
(i) Financial Assets									
(ii) Trade Receivables		4,41,000	-	4,41,000	1,47,000	-	1,47,000		
(iii) Cash & Cash Equivalents		1,11,532	-	1,11,532	1,29,227	-	1,29,227		
TOTAL ASSETS		52,56,427	33,279	52,89,706	64,71,833	-	64,71,833		
EQUITY AND LIABILITIES									
EQUITY									
(a) Equity Share Capital		1,01,00,000	-	1,01,00,000	1,01,00,000	-	1,01,00,000		
(b) Other Equity		(73,96,532)	3,47,613	(70,48,918)	(61,15,600)	4,32,330	(56,83,270)		
LIABILITIES									
(1) Non Current Liabilities									
(a) Financial Liabilities : Borrowings		15,50,000	(3,14,334)	12,35,666	15,00,000	(4,32,330)	10,67,670		
(2) Current Liabilities									
(a) Financial Liabilities									
(i) Borrowings		-	-	-	-	-	-		
(ii) Trade Payables		36,426	-	36,426	20,900	-	20,900		
(iii) Other Financial Liabilities		9,63,833	-	9,63,833	9,63,833	-	9,63,833		
(b) Other Current Liabilities		2,700	-	2,700	2,700	-	2,700		
TOTAL EQUITY & LIABILITY		52,56,427	33,279	52,89,706	64,71,833	-	64,71,833		

(Amount in ₹)



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27.2 Reconciliation of total equity as given below:

(Amount in ₹)

Particulars	Note No. 26 (c)	As at 31st March 2017 (End of last period presented under Previous GAAP)	As at 1st April 2016 (Date of Transition)
Total equity (shareholders' funds) under Previous GAAP		27,03,468	39,84,400
Add/(less):- Adjustments for Ind AS:			
Loans and borrowings being measured at amortised cost	i	3,14,334	4,32,330
Effect of Tax	ii	33,279	-
Total adjustment to equity		3,47,614	4,32,330
Total equity under Ind AS		30,51,082	44,16,730

27.3 Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017:

(Amount in ₹)

Particulars	Note No. 26 (c)	As per IGAAP	Ind AS Adjustments	As per Ind AS
INCOME				
Other Income		3,00,000	-	3,00,000
(A) TOTAL INCOME		3,00,000	-	3,00,000
EXPENSES				
Finance Costs	i	-	1,29,234	1,29,234
Depreciation and Amortisation Expense		14,97,711	-	14,97,711
Other Expenses		83,221	-	83,221
(B) TOTAL EXPENSES		15,80,932	1,29,234	17,10,166
Profit/(Loss) before tax (C=A-B)		-12,80,932	-1,29,234	-14,10,166
(D) Tax Expense:				
(1) Current Tax		-	-	-
(2) Deferred Tax	ii	-	(33,279)	(33,279)
Total Profit/(Loss) for the period (E=C-D)		-12,80,932	-95,955	-13,76,887
OTHER COMPREHENSIVE INCOME				
Remeasurements of the Net Defined Benefit Plans:				
i. Items that will not be reclassified to profit or loss		-	-	-
ii. Income tax relating to Items that will not be reclassified to profit or loss		-	-	-
Total Other Comprehensive Income (F=i+ii)		-	-	-
Total INCOME (E+F)		-12,80,932	-95,955	-13,76,887

27.4 Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

(Amount in ₹)

Particulars	Note No. 26 (c)	As at 31st March 2017 (End of last period presented under Previous GAAP)
Net Profit as per IGAAP		(12,80,932)
Add/(less):- Adjustments for Ind AS:		
Effect on finance Cost as per Effective Interest Rate Method/Amortisation Method on financial assets/financial liabilities	i	(1,29,234)
Deferred Tax on above adjustment	ii	33,279
Net Profit as per Ind AS (Before OCI)		(13,76,887)
Other Comprehensive Income (net of taxes)		-
Actuarial gain/(loss) on employee defined benefit		-
TOTAL COMPREHENSIVE INCOME UNDER IND AS		(13,76,887)



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Notes to Financial Statements for the Year ended 31st March, 2018

27.5 Reconciliation of statement of cash flows for the year ended March 31, 2017

(Amount in ₹)

Particulars	Year ended 31st March 2017		
	As per Previous IGAAP	Ind AS Adjustments	As per Ind AS
Net cash flows from Operating Activities	(67,695)	-	(67,695)
Net cash flows from Investing Activities	-	-	-
Net cash flows from Financing Activities	50,000	-	50,000
Net increase (decrease) in cash and cash equivalents	(17,695)	-	(17,695)
Cash and cash equivalents at the beginning of the period	1,29,227	-	1,29,227
Cash and cash equivalents at the end of the period	1,11,532	-	1,11,532

B. Explanatory Notes to reconciliation between Previous GAAP and IND AS

i. Deemed Equity

Under Previous GAAP Interest free loan taken from group companies were recorded at their transaction value. Under Ind AS, such loans are recognized at fair value on the date of disbursements and the fair value loss on respective transaction dates is recognized as deemed equity under the head 'Other Equity'.

ii. Deferred Tax

Deferred tax has been recognized on the account of adjustments made due to application of Ind AS.

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

28 These financial statements have been approved by the Board of Directors of the Company on 30th May, 2018 for issue to the shareholders for their adoption.

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

Prashant Khandelwal

Prashant Khandelwal
 Partner
 Membership No. 056652



Place : New Delhi
 Dated : 30th May, 2018

For and on behalf of the Board of Directors

Amar Singh
 Amar Singh (Director) (DIN 00165567)

Pankaja Kumari Singh
 Pankaja Kumari Singh (Director) (DIN 00199454)

S. P. Singh
 S. P. Singh (Director) (DIN 01055370)