



Energy Development Company Limited

Annual Report & Accounts 2011-2012



17TH
ANNUAL REPORT & ACCOUNTS
2011 - 2012



ENERGY DEVELOPMENT
COMPANY LIMITED

Annual General Meeting on Saturday,
the 8th day of September, 2012 at
2:00 P.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

Directors

Mr. Gouri Prasad Goenka
Mrs. Pankaja Kumari Singh
Mr. Sanjay Kumar Gupta
Mr. Vijoy Kumar
Mr. Tarun Chaturvedi

Company Secretary

Mr. Indranil Banerjee

Statutory Auditors

M/s. Lodha & Co.
Chartered Accountants

Registered Office

Harangi Hydro Electric Project
Village - Hulugunda, Taluka - Somawarpet
District - Kodagu, Karnataka - 571 233

Corporate Office

EDCL HOUSE
1A, Elgin Road, Kolkata - 700 020

Principal Bankers

Allahabad Bank
ICICI Bank Limited
State Bank of India
The Federal Bank Limited
The Royal Bank of Scotland
Yes Bank Limited

Audit Committee

Mr. Sanjay Kumar Gupta (Chairman)
Mr. Sanjiv Saraf
Mr. Vijoy Kumar
Mr. Tarun Chaturvedi

Shareholders' & Investors'

Grievance Committees

Mrs. Pankaja Kumari Singh (Chairperson)
Mr. Amar Singh
Mr. Sanjiv Saraf

Registrar & Share Transfer Agent

Niche Technologies Private Limited
D-511, Bagree Market, 5th Floor
71, Biplabi Rash Behari Basu Road
Kolkata - 700 001

Stock Exchanges where Company's Shares are listed

Bombay Stock Exchange Limited
National Stock Exchange of India Limited



NOTICE TO THE MEMBERS

Notice is hereby given that the SEVENTEENTH ANNUAL GENERAL MEETING of the members of the Company will be held at its Registered Office at Harangi Hydro Electric Project, Village - Hulugunda, Taluka - Somawarpet, District - Kodagu, Karnataka - 571 233, on Saturday, the 8th day of September, 2012 at 02:00 P. M. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2012 and the Statement of Profit & Loss for the year ended on that date, together with the Directors' and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Amar Singh, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Gouri Prasad Goenka, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of proxy in order to be valid and effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting.
2. Proxy form is annexed herewith.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 01.09.2012 till 08.09.2012 (both days inclusive).
4. The dividend on equity shares, if declared at the Annual General Meeting, will be paid to the members, whose names appear on the Register of Members, as on 08.09.2012.
5. Members holding shares in dematerialised mode are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of the dividend, if declared. The Company or its Registrar cannot act on any request received directly from the members holding shares in electronic form for any change of bank account details or mandates. Such changes are to be intimated only to the respective Depository Participant of the members holding shares.
6. As required by the Listing Agreement with the Stock Exchanges, details of the Directors retiring by rotation and being eligible offers themselves for re-appointment (item no.3 and 4 of the notice) is annexed herewith.
7. Please intimate any change of your address, email-id, name, bank details etc. to the Registrar and Transfer Agent of the Company.
8. You will be pleased to note that as a responsible corporate citizen, your Company supports the 'Green Initiatives' promoted by the Ministry of Corporate Affairs (MCA) vide its circular no. 17/2011 and 18/2011 dated 21st April 2011 and 29th April 2011 respectively. In terms of the said circulars, the shareholders can assent to receive all communication from the Company including Notices of meetings, Explanatory Statements, Directors Report, Auditors Report, Balance Sheet and Statement of Profit & Loss etc. through electronic mode by registering their email id either with their respective DP or with the Registrar & Transfer Agent (RTA) of the Company.



Accordingly, shareholders desirous of availing electronic form of delivery of documents are requested to register their email id either with their respective DP or with the RTA of the Company viz. M/s Niche Technologies Private Limited, D-511, Bagree Market, 5th Floor, 71, Biplabi Rash Behari Basu Road, Kolkata - 700001 by sending an e-mail at nichetechpl@nichetechpl.com. The said email shall contain the following : "EDCL send documents by email - Folio No.....".

9. The Notice of the AGM, Audited Financial Statements, Directors' Report and Auditors' Report thereon will also be available on the website of the Company at www.edclgroup.com.

By Order of the Board
For Energy Development Company Limited

Sd/-

Indranil Banerjee

(Company Secretary)

Place : Kolkata

Date : 17.07.2012

Registered Office

Harangi Hydro Electric Project

Village: Hulugunda, Taluka : Somawarpet

District: Kodagu, Karnataka - 571233

Corporate Office

EDCL House

1A, Elgin Road

Kolkata - 700020



ANNEXURE TO THE NOTICE OF 17TH ANNUAL GENERAL MEETING

PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT

(In pursuance of clause 49 of the listing agreement with the stock exchanges)

MR. AMAR SINGH	Chairman, Non-Executive Director
Date of birth	27.01.1956
Qualification	B. A., L.L.B.
Expertise and experience in specific functional areas	Mr. Amar Singh is a member of the Rajya Sabha since November, 1996 and an eminent politician. He is having vast experience in Management.
Directorship held in other Companies	Nil
Membership in Board Committees	Shareholder & Investors Grievance Committee
Numbers of Share/Warrants held in the Company as on 31.03.2012.	14,58,453 Equity Shares

MR. GOURI PRASAD GOENKA	Independent, Non-Executive Director
Date of birth	11.10.1940
Qualification	B. Sc.
Expertise and experience in specific functional areas	Mr. Gouri Prasad Goenka is a renowned industrialist and in the Board of several Companies.
Directorship held in other Companies	Duncan Industries Limited; Jay Shree Tea & Industries Limited; NRC Limited; Stone India Limited; Star Paper Mills Limited; Unimers India Limited.
Membership in Board Committees	Nil
Numbers of Share/Warrants held in the Company as on 31.03.2012.	Nil



DIRECTORS' REPORT TO THE SHAREHOLDERS

To The Shareholders,

Your Directors have pleasure in presenting SEVENTEENTH ANNUAL REPORT and Audited Statements of Accounts for the year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS & REVIEW OF OPERATIONS

Your Company's financial performance for the year under review has been encouraging and is summarized below :

(₹)

Sl. No.	Particulars	Consolidated		Standalone	
		Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2012	Year ended 31.03.2011
1.	Revenue from operations	650,134,564	520,665,204	602,602,159	470,159,899
	Other Income	98,422,002	48,048,424	101,660,233	47,982,478
	Total Revenue	748,556,567	568,713,628	704,262,393	518,142,377
2.	Total expenses other than depreciation & finance cost	480,008,345	404,810,238	469,956,123	391,814,179
3.	Profit before depreciation and finance cost	268,548,222	163,903,390	234,306,270	126,328,198
4.	Depreciation	62,616,830	59,085,423	45,356,595	41,804,491
5.	Profit before finance cost and tax	205,931,392	104,817,967	188,949,675	84,523,707
6.	Finance cost	115,408,729	20,071,114	77,235,012	5,122,333
7.	Profit before tax	90,522,663	84,746,853	111,714,663	79,401,374
8.	Tax expenses	18,883,865	8,866,526	20,169,235	8,786,817
9.	Net profit for the period	71,638,798	75,880,327	91,545,428	70,614,557
10.	Earnings per share (EPS) [Basic & Diluted]	2.61	2.76	3.33	2.57

APPROPRIATION

Your Directors recommend appropriation as under :

(₹)

STANDALONE	Year ended 31.03.2012	Year ended 31.03.2011
Surplus as at end of previous year	498,154,992	459,501,624
Add: Net profit for the year	91,545,428	70,614,557
Available for appropriation	589,700,420	530,116,181
Less: Proposed dividend	33,000,000	27,500,000
Less: Tax on dividend	5,353,425	4,461,188
Less: Transfer to General Reserve	2,288,636	-
Total Appropriation	406,420,061	31,961,188
Surplus carried forward	549,058,359	498,154,992

**DIVIDEND**

Your Directors recommend payment of dividend @ 12 % on the paid up share capital of the Company, i.e. ₹ 1.20/- per equity share of ₹ 10/- each.

OPERATIONS

The Company is primarily engaged in power generation, infrastructure development, such as construction of bridges, hydro projects etc. including operation and maintenance thereof, supply of materials etc. In order to avoid duplication between the Directors' Report and Management Discussion and Analysis, your Directors has provided detailed information on the operation of different business segments of the Company, in the Management Discussion and Analysis Report.

SUBSIDIARY COMPANIES

The Company is developing several hydro electric projects in the States of Arunachal Pradesh, Uttarakhand and Kerala, through various wholly owned subsidiaries viz :

1. Ayyappa Hydro Power Limited
2. EDCL Power Projects Limited (Operating 7 MW Ullunkal Hydro Electric Project)
3. EDCL - Arunachal Projects Private Limited
4. EDCL - Seppa Beyong Hydro Electric Private Limited
5. EDCL - Seppa Dunkho Hydro Electric Private Limited
6. EDCL - Seppa Jung Power Private Limited
7. EDCL - Seppa Kawa Power Private Limited
8. EDCL - Seppa Lada Hydro Electric Private Limited
9. EDCL - Seppa Marjingla Hydro Electric Private Limited
10. EDCL - Seppa Nire Hydro Electric Private Limited
11. EDCL - Seppa Pachuk Power Private Limited
12. EDCL - Seppa Riang Power Private Limited
13. EDCL - Tawang Power Private Limited
14. EDCL - Tawang Lower Tsachu Hydro Electric Private Limited
15. EDCL - Tawang Upper Tsachu Hydro Electric Private Limited
16. Eastern Ramganga Valley Hydrel Projects Co. Private Limited
17. Sarju Valley Hydrel Projects Co. Private Limited

12 projects are being developed in the State of Arunachal Pradesh having an aggregate capacity of about 555 MW, which may vary and the final capacity would be determined on finalization of Detailed Project Report (DPR). DPR of the projects are being prepared. Approval from most of the concerned statutory authorities has been received. Land to be acquired for the projects has been identified. The total expenses incurred for these projects as on 31.03.2012 is ₹ 1,444,568,515/-.

In respect of 3 projects at Uttarakhand having an aggregate capacity of about 17 MW, revised DPR are being prepared. The total expense for the projects in the State of Uttarakhand as on 31.03.2012 is ₹ 155,210,237/-.

In the State of Kerala, a subsidiary is executing 15 MW Karikkayam Hydrel Power Project. The project is in the final stage of completion and generation of electricity is likely to commence in the current financial year. The total expense for the project as on 31.03.2012 is ₹ 1,056,773,170/-.



Another subsidiary is operating the 7 MW Ullunkal Hydro Electric Project. An application has been filed by the Company with Kerala State Electricity Regulatory Commission (KSERC) for revision of approved tariff which is still pending. The Power Purchase Agreement (PPA) will be signed with the Kerala State Electricity Board (KSEB) once the order of the KSERC is received on the said application for the revision of the approved tariff.

The Consolidated Financial Statements (CFS) of the Company and its subsidiaries, prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India, forms part of this Annual Report. The Auditors in their Report on the CFS have commented upon Note No. 27 (ii) in respect of Ayyappa Hydro Power Limited, where power plant is under construction. The delay in the project has no impact on the capital work in progress as on date and any impact thereon due to cost overrun can only be ascertained on completion of the project.

In line with the General Circular No. 2/2011 dated 8th February 2011 issued by the Ministry of Corporate Affairs, the Board of Directors of your Company has passed a resolution for giving its consent for not attaching the financial statements of subsidiaries to the Balance Sheet of the Company for the year ended 31st March 2012. Accordingly, A financial summary for all the subsidiaries giving the required information is disclosed in the CFS. The accounts of the subsidiary companies and the related information will be made available to any shareholder seeking such information. The accounts of the subsidiary companies are also available for inspection by any shareholder at the Registered/Corporate Office of the Company or at the Registered Office of the subsidiary companies.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Management Discussion and Analysis Report for the year under review, is attached as "Annexure A" and forms part of this Annual Report.

CORPORATE GOVERNANCE

The Company has complied with all the mandatory requirements of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. A report on Corporate Governance together with the Auditor's Certificate on the compliance of conditions of Corporate Governance is given in "Annexure B" and forms part of this Report. Further, a declaration signed by the Executive Director, affirming compliance with the Code of Conduct by all the Board members and senior management personnel along with a Certificate from the Executive Director (CEO) / Dy. General Manager - Commercial (CFO) required under clause 49(V) of the Listing Agreement are also given in "Annexure B".

DIRECTORS

Mr. Amar Singh and Mr. Gouri Prasad Goenka, Directors, are liable to retire by rotation and being eligible offer themselves for re-appointment.

Your Board has also received Form 'DD-A' pursuant to the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, from the aforementioned Directors confirming that they have not incurred any disqualification under Section 274(1)(g) of the Companies Act, 1956. Your Board recommends their re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 with regard to the Directors' Responsibility Statement, your Board confirms that :-

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departures;



- (b) the selected accounting policies were applied consistently and the Directors 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 the end of the financial year on 31st March, 2012 and of the Profit or Loss of the Company, for the year ended on that date.
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) the annual accounts have been prepared on a going concern basis.

PARTICULARS OF ENERGY CONSERVATION, ETC.

Particulars in respect of Conservation of Energy and Technology Absorption required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are given in "Annexure C", attached hereto and forms part of this report. There were no foreign exchange earning during the financial year 2011-2012, however, foreign exchange have been used for the purposes of travelling etc. details whereof are also given in the "Annexure C".

AUDITORS

The Auditors, M/s. Lodha & Co., Chartered Accountants, vacate their office at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. They have furnished a certificate to the effect that their proposed appointment, if made will be in accordance with the limits specified under Section 224 (1B) of the Companies Act, 1956. Your Board recommends their re-appointment from the conclusion of the ensuing Annual General Meeting, till the conclusion of the next Annual General Meeting.

COST AUDITORS

M/s. N. Radha Krishnan & Co., Cost Accountant of Kolkata has been appointed as the Cost Auditor of your Company to conduct Cost Audit for the Financial Year 2012-2013.

PERSONNEL

Particulars of employees, as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are given in 'Annexure D', attached hereto and forms part of this report.

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

Place : Kolkata

Date : 17th July, 2012



ANNEXURE - 'A'

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

FOR THE FINANCIAL YEAR 2011-2012

A. INDUSTRY STRUCTURE AND DEVELOPMENT

Electricity is one of the important elements for the growth of the Indian economy. The total installed capacity at the time of independence was only 1,362 MW. But today the capacity has been enhanced to more than 200,000 MW (200 GW). Till 1991 the public sectors has taken the lead role in generating power. After liberalization of Indian economy, private enterprises entered into the sector. But in spite of participation of the government and private sector majority of the people in India has no access to electricity, especially the rural areas. Further, there are many challenges that required to be addressed including shortage of power especially in the peak period and adverse mix of hydro - thermal power. Although India is having huge potential for hydro power only 25% of this has been commissioned so far.

The Electricity sector in India had an installed capacity of 2,02,979.03 MW (as on 31.05.2012) as against 1,76,990.40 MW in the year 2010-11. Out of which Thermal provides 1,34,635.18 MW (66.32%), Hydro Electric provides 39,060.40 MW (19.24%), Renewable 24,503.45 MW (12.07%) and Nuclear 4780.00 MW (2.35%). In terms of fuel, coal fired plants account for 56.54% of India's installed electricity capacity. After coal, renewal hydropower accounts for 19.24% and natural gas for about 10%.

Source: http://www.powermin.nic.in/indian_electricity_scenario/introduction.htm

The per capita average annual domestic electricity consumption in India as of January 2012 is 778 kWh in contrast to worldwide per capita annual average of 2600 kWh and 6200 kWh in the European Union. As per the International Energy Agency estimates India will add between 600 GW to 1200 GW of additional new power generation capacity before 2050.

India is one of the pioneering countries in establishing hydro electric power plants. The power plants at Darjeeling and Shimsha (Shivasamudra-Karnataka) were established in 1898 and 1902 respectively and are among the first in Asia. Total of 6780 MW in terms of installed capacity from Small, Mini and Micro Hydel Schemes have been assessed. It is the most widely used form of renewable energy. India is blessed with immense amount of hydro electric potential and ranks 5th in terms of exploitable hydro potential on global scenario.

Source: http://en.wikipedia.org/wiki/Electricity_sector_in_India

Small Hydro Power (SHP) Programme is one of the thrust areas of power generation from renewable in the Ministry of New and Renewable Energy (MNRE) and it has been vested with the responsibility of setting up projects upto capacity of 25 MW. MNRE has created a database of potential sites of SHP and 5415 potential sites with an aggregate capacity of 14305.47 MW for projects upto 25 MW capacity. The Ministry aim to setting up of SHP of about 7000 MW by the end of 12th Year Plan.

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

B. SWOT ANALYSIS :

i) Strengths :

The status of hydropower in our society will change significantly in future. The increasing cost of fossil fuels worldwide, rising greenhouse gas emissions and tragic accident in Fukushima-Japan, will give accelerated boost to Hydro Power development in India. Electricity generation from the hydro projects are inflation free due to absence of fuel costs. Small Hydro projects (SHP's) do not encounter problems of large hydro projects like deforestation, resettlement etc. It requires advance technology, efficiency and operational flexibility. Power generated is transmitted to isolated and remote villages. Most of the state has its own policy for private sector participation. The equipments required are also indigenously manufactured which has efficiency capacity of more than 85%. Subject to availability of water in the river / canals, the capacity of the projects can be as high as 95%. The Government has also come out with scope of financial assistance and subsidies.



ii) **Weakness :**

Water is a subject matter of State, project sites are allotted to the private enterprises by the State Government's only. The projects in general involve time consuming process for allotment of sites by the State and statutory clearances including land acquisition, environment clearance (for medium and large projects) for execution of the projects. Such projects have relatively long gestation period due to inaccessible terrain, limited working season, remote location and evacuation of power etc. SHP's have relatively less such hassles.

iii) **Opportunities :**

The deteriorating hydro thermal mix, peaking shortages and frequency variations are the driving factors for developing hydro power. The focus has now been shifted to unearth the huge potential of hydro power especially in the North-eastern and Himalayan region. The future of hydro power in the country is very bright due to extension of grid to the hilly region.

iv) **Threats :**

- Environment and forest clearance form National Board of Wild Life is cumbersome and time consuming process leading long gestation period.
- The process of land acquisition is very complex specially acquisition of land from private owners.
- Geological uncertainties play a vital role. Natural calamities such as landslides, hill slope collapse road blocks, floods and cloud bursts cause severe setback for the projects.
- Since most of the projects are in the hilly region, basic infrastructure facilities are poor in the region which obstructs mobilization of men, materials and other resources.

C. SEGMENT WISE OR PRODUCT WISE PERFORMANCE :

The Company is on the path of growth and during the year also it has evidenced the same although the Company has not participated in allotment of any new project. The two segments of the Company namely, Generation division and Contract division performed very well and posted a total turnover of ₹ 602,602,159/- as compared to the previous year of ₹ 470,159,899/- a growth of 28.17%.

Generation Division :

During the financial year 2011-12, total revenue generated from this division is ₹ 166,485,608/- (Previous year ₹ 125,181,892/-). The Company owns and operate from 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 – Stage 2 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 the :

Hydro Power Plants : 40.08 million units (previous year 25.88 million units)

Wind Mill : 6.81 million units (previous year 5.89 million units)

The Company also owns and operate 7 MW Ullankal Hydro Electric Power Project, through its subsidiary, EDCL Power Projects Limited and produced 23.17 million units during the year 2011-12 as compared to 24.39 million units in 2010-11.



The Company is also developing and executing various hydro power projects through its several wholly owned subsidiaries, details whereof are given in the Directors' Report.

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 the division has earned revenue of ₹ 436,116,551/- (previous year ₹ 344,978,007/-). Outstanding contract value at the end of the financial year is ₹ 101.41 crore.

D. OUTLOOK

Your Company's main focus area is the generation of electricity and infrastructure development by way of contract or own projects. The Company is setting up and executing various hydro power plants at Arunachal Pradesh, Uttarakhand and Kerala. Details of the said projects are provided in the Directors Report.

E. 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 Company has re-appointed a firm of Chartered Accountants, M/s. SRB & Associates to carry 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 Corporate Governance Report. The Audit Committee reviews Audit Reports submitted by the Internal Auditors.

F. FINANCIAL PERFORMANCE

The net profit before tax stood at ₹ 111,714,663/- (Previous year - ₹ 79,401,374/-). The detailed performance is given in the Financial Statements.

G. 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. There were inductions of technical and commercial staff, at middle management and support staff levels. As on 31st March, 2012, the Company had employed 84 persons.

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 Web-sites.



ANNEXURE - 'B'

THE REPORT ON **CORPORATE GOVERNANCE** FOR THE YEAR ENDED ON 31.03.2012**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

The Board of the Company is represented by well known people from different walks of life. It comprises of successful professionals, technocrats, businessmen and persons of high repute. They are well recognized in the society for their contributions and achievements in their respective fields of expertise.

As on 31st March, 2012, Company's Board consists of 7 (Seven) Directors, comprising of 1 (one) Executive Director, 2 (two) Non - Executive Directors and 4 (four) Independent Directors. Thus, the composition of Board is in conformity with clause 49 of the Listing Agreement, which stipulates that at least one half of the Board should consist of independent, if the Chairman of the Board is a Promoter & Non - Executive Director.

Board Meetings

The Board of Directors met five (5) times during the year. The maximum time gap between any two consecutive meetings did not exceed four months. The dates of the Board meetings along with attendance of the Directors are as under :-

Sl. No.	Date of Board Meetings	Board Strength	No. of Directors Present
1.	14.05.2011	7	3
2.	25.07.2011	8	6
3.	08.08.2011	7	3
4.	07.11.2011	7	4
5.	08.02.2012	7	3

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 the necessary disclosures regarding Committee positions. 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 is given below :-

Sl. No.	Name of Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM held on 13.09.2011	No. of Directorship in the Board of other Companies as on 31.03.2012	No. of Membership held in Committees of Board of other Companies as on 31.03.2012*	No. of Chairmanship held in Committees of Board of other Companies as on 31.03.2012*
1.	Mr. Amar Singh (Executive Chairman upto 31.07.2011)	Promoter & Non-Executive Chairman	2	No	NIL	NIL	NIL
2.	Mr. Amitabh Bachchan (upto 25.07.2011)	Independent, Non-Executive Director	0	No	Not Applicable	Not Applicable	Not Applicable
3.	Mr. Gouri Prasad Goenka	Independent, Non-Executive Director	1	No	7	NIL	NIL
4.	Mr. Harshavardhan Neotia (upto 25.07.2011)	Independent, Non-Executive Director	1	No	Not Applicable	Not Applicable	Not Applicable



Sl. No.	Name of Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM held on 13.09.2011	No. of Directorship in the Board of other Companies as on 31.03.2012	No. of Membership held in Committees of Board of other Companies as on 31.03.2012*	No. of Chairmanship held in Committees of Board of other Companies as on 31.03.2012*
5.	Mrs. Pankaja Kumari Singh	Promoter & Non-Executive Director	1	No	4 (including 3 Private Ltd. Cos.)	NIL	NIL
6.	Mr. Sanjay Kumar Gupta	Independent, Non-Executive Director	4	Yes	6 (including 3 Private Ltd. Cos.)	NIL	NIL
7.	Mr. Sanjiv Saraf	Executive Director	5	Yes	21 (including 17 Private Ltd. Cos.)	NIL	NIL
8.	Mr. Vijoy Kumar (from 25.07.2011)	Independent, Non-Executive Director	4	Yes	3 (including 1 Private Ltd. Co.)	NIL	NIL
9.	Mr. Tarun Chaturvedi (from 08.08.2011)	Independent, Non-Executive Director	1	No	1 Private Ltd. Co.	NIL	NIL

* As per Clause 49 of the Listing Agreement, only two Committees viz. Audit Committee and Shareholders'/Investors' Grievance Committee have been considered for this purpose.

Profile of Directors retiring by rotation

MR. AMAR SINGH	Promoter, Non-Executive Director
Date of birth	27.01.1956
Qualification	B. A., LL.B.
Expertise and experience in specific functional areas	He is a member of the Rajya Sabha since November 1996 and an eminent politician. He is having vast experience in Management.
Directorship held in other Companies	Nil
Membership in other Board Committees	Member, Shareholders and Investors Grievance Committee of Energy Development Company Limited.
Numbers of Share/Warrants held in the Company as on 31.03.2012.	14,58,453 Equity Shares

MR. GOURI PRASAD GOENKA	Independent, Non-Executive Director
Date of birth	11.10.1940
Qualification	B. Sc.
Expertise and experience in specific functional areas	He is a renowned industrialist and in the Board of several Companies.
Directorship held in other Companies	Duncan Industries Limited; Jay Shree Tea & Industries Limited; NRC Limited; Stone India Limited; Star Paper Mills Limited; Unimers India Limited.
Membership in other Board Committees	Nil
Numbers of Share/Warrants held in the Company as on 31.03.2012.	Nil



Information placed before the Board

As a policy, all major decisions involving new investments and capital expenditure, in addition to matters which statutorily require Board approval, are put for consideration of the Board. Inter-alia, the following information is regularly provided to the Board as part of the agenda papers well in advance of the Board meeting or is tabled in the course of the Board meeting :

- a. Annual operating plans and budgets.
- b. Capital budget-purchase and disposal of plant, machinery and equipments.
- c. Quarterly, half yearly and annual results of the Company.
- d. Minutes of the meeting of the Audit Committee and other Committees of the Board.
- e. Information on recruitment and remuneration of senior officers just below the Board level.
- f. Materially important show cause, demand, prosecution notices and penalty notices.
- g. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- h. Any material default in financial obligations to and by the Company, or substantial non-payment by client.
- i. Any issue, which involves possible public or product liability claims of substantial nature, including any judgments or order which, may have passed strictures on the Conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- j. Details of any joint venture agreement or collaboration agreement.
- k. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- l. Significant labour problems and their proposed solutions. Any significant development in human resources or on the industrial relations front like signing of wage agreement etc.
- m. Sale of material nature of investments, subsidiaries, assets which are not in the normal course of business.
- n. Quarterly details of foreign exchange exposure and the steps taken by the management to limit the risk of adverse exchange rate, movement, if material.
- o. Non-compliance of any regulatory, statutory or listing requirement and shareholders service such as non-payment of dividend, delay in share transfer etc.

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.

Code of Conduct

The Board of Directors has laid down Code of Conduct for the Non-Executive Directors, Executive Directors and the designated employees in the senior management. All the Board members and the senior management executives have affirmed compliance with the code of conduct. A declaration to this effect signed by Mr. Sanjiv Saraf, Executive Director is annexed and form part of this report.

Risk Management

Your Company has established a well-documented and robust risk management framework. Under this framework, risks are identified across all business process of the Company on an ongoing basis. Once identified, these risks are systematically categorized as strategic risk, business risk or reporting risk. To address these risks in a comprehensive manner, each of risk is mapped to the concerned department for further action. Based on this framework the Company has set in place procedures to periodically place before the Board the risk assessment and minimization procedures being followed by the Company.



Directors with pecuniary relationship or business transaction with the Company

The Executive Directors receive salary, allowances, perquisites and commission while all Non-Executive Directors receive sitting fees, details of which are given below :

(₹)

Name of Directors	Sitting Fees*	Salary, allowances and perquisites #	Commission	Total
Mr. Amar Singh (Executive Chairman upto 31.07.2011)	NIL	1,600,000	NIL	1,600,000
Mr. Gouri Prasad Goenka	2,500	NIL	NIL	2,500
Mrs. Pankaja Kumari Singh	25,000	NIL	NIL	25,000
Mr. Amitabh Bachchan (upto 25.07.2011)	NIL	NIL	NIL	NIL
Mr. Harshavardhan Neotia (upto 25.07.2011)	10,000	NIL	NIL	10,000
Mr. Sanjay Kumar Gupta	110,000	NIL	NIL	110,000
Mr. Sanjiv Saraf	NIL	3,520,000	1,020,000	4,540,000
Mr. Vijoy Kumar (from 25.07.2011)	102,500	NIL	NIL	102,500
Mr. Tarun Chaturvedi (from 08.08.2011)	20,000	NIL	NIL	20,000

* Sitting fees includes payment to the Directors for attending meetings of Board Committees.

includes house rent allowance.

The terms of employment of the Executive Director stipulates a severance notice of six months on either side.

Payment to Non-Executive Directors have been made, based on the number of Board and/or Committee meetings attended by them.

During the year, the Company did not advance any loans to any of its Directors. No Stock Options have been issued to any of the Directors of the Company.

Shares/Convertible Warrants held by Non-Executive Directors as on 31st March, 2012

Name of the Directors	Number of Shares held
Mr. Amar Singh	14,58,453
Mr. Gouri Prasad Goenka	NIL
Mrs. Pankaja Kumari Singh	4,68,938
Mr. Sanjay Kumar Gupta	6,000
Mr. Vijoy Kumar	NIL
Mr. Tarun Chaturvedi	NIL

The Company does not have any Convertible Warrant as on 31st March, 2012.

BOARD COMMITTEES

All decisions pertaining to the constitution of the Audit Committee and Shareholders'/Investors' Grievance Committee, appointment of members and fixing of terms of reference for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the year and the related attendance, are provided below :

A. Audit Committee

The Audit Committee consist of three independent and Non-Executive Directors and One Executive Director. Mr. Harshavardhan Neotia, Member of the Audit Committee has resigned from the Board of Directors of the Company. The Board in their meeting held on 25.07.2011 has accepted the same and re-constituted the Committee by appointing Mr. Vijoy Kumar, Non-Executive



Director, in place of Mr. Harshavardhan Neotia. Mr. Tarun Chaturvedi, Independent Non-Executive Director was appointed as a member of the Committee with effect from 07.11.2011. The Committee met five times during the year, viz. 10.05.2011, 23.07.2011, 08.08.2011, 07.11.2011 and 08.02.2012.

The composition and categories of the members of the Audit Committee and their attendance at the Committee Meetings held during the Year is given below :

Name of the Directors	Category	No. of Committee Meetings attended
Mr. Sanjay Kumar Gupta	Chairman; Independent, Non-Executive	5
Mr. Harshavardhan Neotia (upto 25.07.2011)	Member; Independent, Non-Executive	2
Mr. Sanjiv Saraf	Member; Executive Director	4
Mr. Vijoy Kumar (from 25.07.2011)	Member; Independent, Non-Executive	3
Mr. Tarun Chaturvedi (from 08.08.2011)	Member; Independent, Non-Executive	—

Mr. Indranil Banerjee, Company Secretary is the Secretary of the Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting.

Brief description of the terms of reference of the Audit Committee includes the following :

1. Oversee 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.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to :
 - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions. (as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India);
 - (g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statements of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statements 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
8. 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.



9. Discussion with internal auditors any significant findings in the process of audit and follow up there on.
10. 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.
11. 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.
12. 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.

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

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the internal auditors.

The Audit Committee is also apprised on information with regard to :

Related party transaction (whether or not in normal course of business and transactions not at arms length); where money is raised through an issue (public issue, right issue, preferential issue etc.) periodical disclosures regarding use of funds by major category and on annual basis a statement of funds utilized for purpose other than those specified in the notice or offer document.

The role of Audit Committee includes recommending the appointment and removal of internal and statutory auditors, discussion of audit plan, fixation of fees for audit and other services.

B. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee deals with various matters relating to :

- Transfer/Transmission of Shares
- Issue of Duplicate Share Certificates
- Dematerialisation of Shares
- Redressal of Investors' Grievance
- Non receipt of Annual Report and Dividend
- All other incidental matters with respect to Shareholders and other Investors.

The Committee met Four (4) times during the year, viz. 14.05.2011, 06.08.2011, 07.11.2011 and 06.02.2012.

The composition and categories of the members of the Shareholders/Investors Grievance Committee and their attendance record at the Committee Meetings held during the year is given below :

Name of Directors	Category	No. of Committee Meetings attended
Mrs. Pankaja Kumari Singh	Chairperson; Promoter & Non-Executive Director	4
Mr. Amar Singh	Member; Promoter & Non-Executive Chairman	1
Mr. Sanjiv Saraf	Member; Executive Director	4

Compliance Officer : Mr. Indranil Banerjee, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India.

Status of Complaint Received and Pending

Number of complaints from 01.04.2011 to 31.03.2012			
Pending as on 01.04.2011	Received	Redressed	Pending as on 31.03.2012
Nil	02	02	Nil



SUBSIDIARY COMPANIES

The Company is holding 100% equity shares in the following Companies :

1. Ayyappa Hydro Power Limited
2. EDCL Power Projects Limited (Operating 7 MW Ullunkal Hydro Electric Project)
3. EDCL - Arunachal Projects Private Limited
4. EDCL - Seppa Beyong Hydro Electric Private Limited
5. EDCL - Seppa Dunkho Hydro Electric Private Limited
6. EDCL - Seppa Jung Power Private Limited
7. EDCL - Seppa Kawa Power Private Limited
8. EDCL - Seppa Lada Hydro Electric Private Limited
9. EDCL - Seppa Marjingla Hydro Electric Private Limited
10. EDCL - Seppa Nire Hydro Electric Private Limited
11. EDCL - Seppa Pachuk Power Private Limited
12. EDCL - Seppa Riang Power Private Limited
13. EDCL - Tawang Power Private Limited
14. EDCL - Tawang Lower Tsachu Hydro Electric Private Limited
15. EDCL - Tawang Upper Tsachu Hydro Electric Private Limited
16. Eastern Ramganga Valley Hydel Projects Co. Private Limited
17. Sarju Valley Hydel Projects Co. Private Limited

The abovementioned companies are non-listed and as per Clause 49 of the Listing Agreement these are non material subsidiary companies.

GENERAL BODY MEETINGS

1. Location, date and time of the Annual General Meetings held during the preceding 3 years and the special resolutions passed thereat are as follows :

Year	Location	Date and time	Special Resolutions Passed
2009	Harangi Hydroelectric Project, Vill. - Hulugunda, Taluka - Somawarpet, Dist. - Kodagu Karnataka - 571 233	16.09.2009 at 12.30 P. M.	Alteration of Object Clause of the Memorandum of Association of the Company.
2010	Harangi Hydroelectric Project, Vill. - Hulugunda, Taluka - Somawarpet, Dist. - Kodagu, Karnataka - 571 233	13.12.2010 at 3:00 P. M.	—
2011	Harangi Hydroelectric Project, Vill. - Hulugunda, Taluka - Somawarpet, Dist. - Kodagu, Karnataka - 571 233	13.09.2011 at 11:30 A. M.	Re-appointment of Mr. Sanjiv Saraf, Executive Director

2. Location, date and time of the Extra-ordinary General Meeting : No Extra-ordinary General Meeting was held during the year 2011-12.
3. Postal Ballot : No special resolution through postal ballot has been passed during the year 2011-12.

**DISCLOSURES****Related Party Transactions**

During the year under review, the Company has not entered into any transaction of material nature with its Promoter, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with interest of the Company at large. However, all related party transactions including those with subsidiary companies are disclosed through notes to the accounts.

Accounting Treatment

The financial statements of the Company are prepared in accordance with the provisions of the Companies Act, 1956 and the Accounting Standards issued by the Institute of Chartered Accountants of India.

Compliance of various Laws

There were no instances of non-compliance by the 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.

MEANS OF COMMUNICATION**(a) Quarterly Results**

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

(b) Newspapers

As per Clause 41 of the Listing Agreement the Un-audited Quarterly Results, for the quarter ended on 30.06.2011, 30.09.2011, 31.12.2011 and 31.03.2012 were published in the following newspapers :-

The Business Standard - Bangalore and Mumbai Edition

Hosadigantha - (Kannada daily) - Bangalore Edition

(c) Website where results are displayed

Full version of Annual Report including the Balance Sheet, Statement of Profit and Loss, Directors' Report, Corporate Governance Report and Auditors' Report; Cash Flow Statements; Half Yearly Financial Statements, Quarterly Financial Results and Quarterly Shareholding Pattern are available on the website of the Company - www.edclgroup.com

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

Mr. Indranil Banerjee, Company Secretary of the Company is the Compliance Officer and he 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 investors or to any analyst.

CEO / CFO Certification

The Executive Director (CEO) of the Company have certified to the Board that all the requirement of the revised Clause 49(V) of the listing agreement, interalia, dealing with the review of financial statement and Cash Flow Statement for the year ended on 31st March, 2012, 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.

GENERAL SHAREHOLDER INFORMATION**a. Annual General Meeting**

The Annual General Meeting of the Company will be held on Saturday, the 8th day of September, 2012 at Harangi Hydro Electric Project, Village - Hulugunda, Taluka - Somawarpet, Dist. - Kodagu, Karnataka - 571 233 at 2:00 P. M.

b. Financial Year : From 1st April to 31st March.**c. Book Closure Period : 01.09.2012 to 08.09.2012 (both days inclusive).**



- d. **Dividend Payment date** : The 8th day of September, 2012.
- e. **The Company's shares are listed in the following Stock Exchanges :**

1. BOMBAY STOCK EXCHANGE LTD.
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
2. NATIONAL STOCK EXCHANGE OF INDIA LIMITED
"Exchange Plaza"
Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051

Note : Annual listing fee for the year 2012 - 2013 has been paid to the above Stock Exchanges.

f. **Depositories :**

- (i) **National Securities Depository Ltd.**
Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
- (ii) **Central Depository Services (India) Ltd.**
Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400 023.

The Company has paid custodial fees for the year 2012 - 2013 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial accounts maintained by them as on 31st March, 2012.

g. **The Stock Code of the Company with the Stock Exchanges are as under :**

<u>STOCK EXCHANGE</u>	<u>CODE</u>
Bombay Stock Exchange	532219
National Stock Exchange	ENERGYDEV

h. **Demat ISIN Number** : INE306C01019

- i. **Market Price Data** : The details of trading at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), for the period from 01.04.2011 to 31.03.2012 are shown below:

MONTH	BSE SHARE PRICE		NSE SHARE PRICE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2011	47.25	38.90	47.00	38.60
May, 2011	41.85	33.55	40.00	33.50
June, 2011	37.00	32.65	36.45	33.10
July, 2011	37.50	31.50	37.65	30.55
August, 2011	37.95	22.65	38.20	23.00
September, 2011	41.45	33.70	41.50	33.40
October, 2011	42.65	32.65	42.95	32.50
November, 2011	47.90	37.20	44.70	37.05
December, 2011	41.50	29.00	41.75	30.00
January, 2012	37.40	30.25	37.95	30.05
February, 2012	47.60	33.20	47.75	33.05
March, 2012	52.00	31.50	52.20	31.15

As on the 30th March, 2012 the closing price of the shares of the Company are ₹ 33.15 (in NSE) and ₹ 32.95 (in BSE).

j. **Registrar and Share Transfer Agents :**

M/s Niche Technologies Pvt. Ltd.
D-511, Bagree Market, 5th Floor, 71, B. R. B. Basu Road, Kolkata - 700 001



k. Exclusive E-mail ID for redressal of investor complaints

In terms of Clause 47(f) of the Listing Agreement, please use the following contacts for redressal of Investor Complaints:

E-mail : edclcal@edclgroup.com.

l. 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.

m. Distribution of Shareholding as on 31.03.2012 is as under :

Shareholding Range No. of Shares	Number of Shareholders	% of Shareholders	Number of Shares	% of Shareholding
Upto - 500	7781	89.8603	9,71,433	3.5325
501 - 1,000	474	5.4741	3,88,168	1.4115
1,001 - 5,000	311	3.5916	6,90,892	2.5123
5,001 - 10,000	44	0.5081	3,44,726	1.2535
10,001 - 50,000	34	0.3927	6,38,386	2.3214
50,001 - 1,00,000	2	0.0231	1,10,211	0.4008
1,00,001 and above	13	0.1501	2,43,56,184	88.5679
TOTAL	8659	100.00	2,75,00,000	100.0000

n. Shareholding as on 31.03.2012 :

Category	No. of Shares held	% of holding
Promoters	1,54,99,475	56.36
Financial Institutions, Insurance Co., Banks etc.	0	0
Private Corporate Bodies	85,17,055	30.97
Indian Public	33,44,591	12.16
Others	1,38,879	0.51
TOTAL	2,75,00,000	100.00

o. Dematerialization of Shares and Liquidity :

The Shares of the Company has been dematerialised with NSDL and CDSL. As on 31.03.2012 2,54,86,436 shares (92.68%) has been dematerialized with NSDL and 19,70,198 shares (7.16%) with CDSL.

p. Outstanding GDRs / ADRs / Warrants or any Convertible instruments :

During the financial year ended on 31.03.2012 the Company has not issued any GDR/ADR/Warrants or Convertible instruments. Also as on 31.03.2012 there were no GDR/ADR/Warrant or convertible instruments outstanding against the Company.

q. Plant Locations :

- ◆ Harangi Hydro Electric 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.

r. Address for Correspondence :

Mr. Indranil Banerjee, *Company Secretary*

Energy Development Company Limited

EDCL HOUSE, 1A, Elgin Road, Kolkata - 700 020



DECLARATION

To
The Members of
Energy Development Company Limited

Sub. : Declaration under Clause 49 of the Listing Agreement

I hereby declare that all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the code for the financial year ended 31st March, 2012.

Kolkata
17th July, 2012

For **Energy Development Company Ltd.**

Sd/-
SANJIV SARAF
(Executive Director)

To
The Members of
Energy Development Company Limited

Re : Financial Statements for the year ended on 31st March, 2012 - Certification by Executive Director and DGM (Commercial)

We, Sanjiv Saraf, Executive Director and Nathmal Modi, DGM (Commercial) of Energy Development Company Limited, to the best of our knowledge and belief, certify that :

1. We have reviewed the financial statements and the cash flow statement for the year ended on 31.03.2012 and that to the best of our knowledge and belief :
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) 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.
2. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;
3. 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.
4. We have indicated to the Auditors and the Audit Committee :
 - a) significant changes in the internal control over financial reporting during the year under review;
 - b) 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
 - c) 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.

17th July, 2012

For **Energy Development Company Limited**

Sd/-
NATHMAL MODI
DGM (Commercial)

Sd/-
SANJIV SARAF
(Executive Director)



AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT

To the members of
Energy Development Company Limited :

1. We have examined the compliance of the conditions of Corporate Governance by Energy Development Company Limited, for the year ended on 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement) issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. 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.

Place : Kolkata
Dated : 17th July, 2012

For **Lodha & Co.**
Chartered Accountants
Firm ICAI Registration No. : 301051E
Sd/-
H. S. Jha
Partner
Membership No. 55854



ANNEXURE - 'C'

INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

(A) CONSERVATION OF ENERGY

Electricity is consumed mainly in the offices for the purposes of lightning and running air - conditioner and computers etc. It is also consumed in the Power Plants and Power House auxiliaries mainly for running governor, cooling water pumps, ventilation, air conditioning and lighting purposes. Effective energy conservation measures are being taken in general and also ensuring that electricity consumption are kept at the minimum.

The Company has also taken some specific measures for conservation of energy at its Harangi Plant site such as :

- i. It is proposed to install 24 no solar street lights to reduce / save power consumption of 21,900 units in a year.
- ii. The regular usage of electricity in the plant are proposed to be reduced by installing a micro wind plant of 20 KW and to generate electricity for 6 hours after which the same will be stored in battery or inverter for use thereafter. Total electricity to be saved using this method is 0.1 MU.

The company does not fall under the category of industries specified in the schedule to the said Rules, accordingly, information in Form A, is not required to be given.

(B) TECHNOLOGY ABSORPTION

Every effort was made to ensure that various equipments relating to the company's power projects correspond to state of the art technology. No specific expenditure on Research & Development is envisaged.

(C) STATEMENT OF FOREIGN EXCHANGE OUTGO FOR THE FINANCIAL YEAR 2011-12

Sl. No.	Particulars	Amount (₹)
1.	Travelling Expenses	3,980,846
2.	Professional Charges	300,931,067
	Total	304,911,913



ANNEXURE - 'D'

PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975

Sl. No.	Name	Age	Designation	Total Remuneration (₹)	Qualification	Experience (Years)	Date of Joining	Previous Employment	Percentage of Equity shares held in the Company
1.	Mr. Amar Singh	56	Chairman (Non-executive w.e. f. 01.08.2011)	1,600,000	B.A.; LLB.	36	01.08.2006	Managing Director of Energy Development Company Limited	5.303
2.	Mr. Sanjiv Saraf	57	Executive Director	4,540,000	B.Tech; M.Tech.	35	01.08.2002	—	0.036

Note :

1. Remuneration includes Salary and House Rent Allowance.
2. Remuneration of Mr. Amar Singh is paid upto 31st July, 2011 and he was not re-appointed as Executive Chairman, however, he remained as a Non-Executive Chairman w.e.f. 01.08.2011.
3. Mr. Amar Singh is husband of Mrs. Pankaja Kumari Singh, Director.



AUDITORS' REPORT TO THE MEMBERS OF ENERGY DEVELOPMENT COMPANY LIMITED

We have audited the attached Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss along with the Cash Flow Statement for the year ended on that date of **Energy Development Company Limited** (the Company). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 ("the Order") issued by the Central Government in exercise of the powers conferred by Section 227(4A) of the Companies Act, 1956, ("the Act") and according to the information and explanations given to us and on the basis of such checks as we considered appropriate, we report that :

- i)
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) Fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its business. No material discrepancies in respect of the assets verified during the year were noticed.
 - (c) The Company has not disposed off any substantial part of the fixed assets during the year.
- ii)
 - (a) The inventory has been physically verified during the year by the management at reasonable intervals.
 - (b) The procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventories and discrepancies noticed on the physical verification of inventory, as explained, were not material as compared to the book records.
- iii)
 - (a) According to information and explanations given to us the company has given unsecured loans to seventeen companies listed in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs.1,131,749,890 and the year-end balance of such loans was Rs. 615,596,900.
 - (b) In our opinion, the rate of interest and other terms and conditions on which the unsecured loans as mentioned in (a) above were prima facie not prejudicial to the interest of the Company.
 - (c) According to the information and explanations given to us, the principal amount and interest in respect of loan granted as mentioned in (a) above are repayable on demand. These loans are being repaid as and when recalled.
 - (d) As informed to us, having regard to terms and conditions of the loan as mentioned above, there is no overdue amount outstanding in respect of such loan and interest there on.
 - (e) According to the information and explanations given to us, the company had taken unsecured loan from one company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance was Rs.455,000,000.
 - (f) In our opinion, the rate of interest and other terms and conditions of such loan are not prima facie prejudicial to the interest of the Company.



- (g) According to the information and explanations given to us, the company has been regular in repayment of the principal amount and interest thereon as applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and sale of goods. During the course of our audit, we have not observed any continuing failure to correct weaknesses in the internal controls.
- v) (a) According to the information and explanations provided by the management, particulars of the contracts or arrangement referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register maintained under Section 301 of the Act and exceeding five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposits from the public under Section 58A, 58AA or any other relevant provision of the Act and the rules framed there under.
- vii) Internal audit of the Company has been carried out by firms of Chartered Accountants. In our opinion the internal audit system in respect of the areas covered during the year is commensurate with the size and nature of the business of the Company.
- viii) We have broadly reviewed the cost records and accounts prescribed by the Central Government under section 209(1) (d) of the Act and are of the opinion that prima-facie, such records have been maintained by the Company. However, we have not carried out any detailed examination of such accounts and records.
- ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues 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 became payable.
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess that have not been deposited with the appropriate authorities on account of any dispute.
- x) The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) In our opinion and on the basis of information and explanations given by the management, the Company has not defaulted in the repayment of dues to banks. The Company has not borrowed from any financial institutions and there were no debenture holders during the year.
- xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.



- xv) The Company has given guarantee for loans taken by a subsidiary from banks. According to the information and explanations given to us we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the company.
- xvi) According to the information and explanations given to us, the Company has not availed fresh term loans during the current financial year.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet, keeping in view that the unsecured loan taken by the Company and unsecured loan given to subsidiaries are related to long term capital projects and these will be repaid/refunded on long term basis, no short-term funds have been utilized for the long term investment during the year.
- xviii) The Company has not made preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable to the Company.
- xix) The Company has not issued any debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
- xx) The Company has not raised money by way of public issue during the year.
- xxi) During the course of our examination of the books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such case by the management.

2. Further to the above, we report that :

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow statement are in agreement with the books of account;
- iii) Proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books of account;
- iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow statement dealt with by this report are in compliance with the Accounting Standards referred to in Sub-Section 3(C) of Section 211 of the Act;
- v) On the basis of written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March, 2012 from being appointed as a director in terms of Clause (g) of Sub- section (1) of Section 274 of the Act;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Act in the manner so required and read together with the other notes thereon, give a true and fair view:
 - (a) in case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (b) in case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - (c) in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Place : Kolkata
Date : 25th May, 2012

For **Lodha & Co.**
Chartered Accountants
Firm ICAI Registration No.: 301051E
Sd/- **H. S. Jha**
Partner
Membership No. : 55854



BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	Amount in ₹	
		As at 31st March 2012	As at 31st March 2011
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	275,000,000	275,000,000
Reserves and Surplus	3	1,026,512,339	973,320,337
Non-Current Liabilities			
Long-term borrowings	4	610,450,000	670,586,000
Deferred tax liabilities (Net)	5	42,083,777	46,414,331
Long term provisions	6	4,443,345	4,855,804
Current Liabilities			
Short-term borrowings	7	95,429,469	—
Trade payables	8	87,922,067	74,646,807
Other current liabilities	9	163,467,707	123,990,277
Short-term provisions	10	82,149,920	104,539,631
Total		2,387,458,624	2,273,353,187
ASSETS			
Non-current assets			
Fixed assets	11		
- Tangible assets		604,909,913	645,212,425
- Intangible assets		1,090,128	750,524
Non-current investments	12	689,478,542	166,817,545
Long term loans and advances	13	642,140,198	1,146,208,602
Current assets			
Inventories	14	48,233,709	22,041,140
Trade receivables	15	185,069,553	93,938,854
Cash and bank balances	16	55,702,804	52,939,875
Short-term loans and advances	17	76,771,301	145,393,930
Other current assets	18	84,062,475	50,292
Total		2,387,458,624	2,273,353,187
Significant Accounting Policies	1		

The accompanying notes (1-32) form an integral part of financial statements.

As per our Report of even date
For **Lodha and Co.**
Chartered Accountants
Sd/- **H. S. Jha**
Partner

Place : Kolkata
Date : 25th May, 2012

For and on behalf of the Board of Directors
Sd/- **Amar Singh**, Non Executive Chairman
Sd/- **Sanjiv Saraf**, Executive Director
Sd/- **Sanjay Kumar Gupta**, Director &
Chairman, Audit Committee
Sd/- **Tarun Chaturvedi**, Director
Sd/- **Indranil Banerjee**, Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	Amount in ₹	
		Year ended 31st March 2012	Year ended 31st March 2011
Revenue from operations	19	602,602,159	470,159,899
Other Income	20	101,660,233	47,982,478
Total Revenue		704,262,393	518,142,377
Expenses :			
Cost of materials consumed		29,073,289	10,881,776
Purchase of Stock-in-Trade		287,966,257	274,825,987
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(26,239,136)	(10,644,653)
Employee benefits expense	22	44,454,407	34,472,543
Finance costs	23	77,235,012	5,122,333
Depreciation and amortization expense	11	45,356,595	41,804,491
Provision for bad & doubtful debts		21,641,427	—
Other expenses	24	113,059,879	82,278,526
Total Expenses		592,547,730	438,741,003
Profit before tax for the year		111,714,663	79,401,374
Tax Expense :			
- Current tax		26,700,000	15,812,360
- Tax for earlier years		(2,200,211)	(3,302,051)
- Deferred tax		(4,330,554)	(3,723,492)
Total Tax Expense		20,169,235	8,786,817
Profit / (loss) after tax for the year		91,545,428	70,614,557
Earnings per equity share of ₹ 10 each :			
- Basic & Diluted	29	3.33	2.57

Significant Accounting Policies

1

The accompanying notes (1-32) form an integral part of financial statements.

As per our Report of even date
For **Lodha and Co.**
Chartered Accountants
Sd/- **H. S. Jha**
Partner

Place : Kolkata
Date : 25th May, 2012

For and on behalf of the Board of Directors
Sd/- **Amar Singh**, Non Executive Chairman
Sd/- **Sanjiv Saraf**, Executive Director
Sd/- **Sanjay Kumar Gupta**, Director &
Chairman, Audit Committee
Sd/- **Tarun Chaturvedi**, Director
Sd/- **Indranil Banerjee**, Company Secretary



NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The accounts have been prepared under the historical cost convention and in accordance with the provisions of the Companies Act, 1956 and accounting standards notified vide Companies (Accounting Standards) Rules, 2006. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

1.2 Use of Estimates

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

1.3 Fixed Assets

Fixed assets 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 fixed assets, 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.

1.4 Expenditure during Construction Period

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

1.5 Depreciation and Amortisation

Depreciation on all assets, other than the generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers & cable network has been provided on written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

In respect of assets of generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers & cable network depreciation has been provided on straight line method at the rates prescribed under schedule XIV to the Companies Act, 1956. Erection and maintenance tools are amortised over a period of five years on pro-rata basis. In case of computer software, depreciation has been charged at a rate of 40% on written down value method.

Assets having actual cost of ₹ 5,000/- or less have been written off in the year of acquisition, irrespective of the period of use.

1.6 Investments

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

1.7 Revenue Recognition

- a) Sales of electricity generated are accounted for on delivery to the grid.
- b) Revenue in respect of Contract Division from sale of goods is recognized on delivery of the goods and from consultancy and other services are recognized on Proportionate Completion method with reference to the performance of the activities.



1.8 Inventories

Inventories are valued at cost or estimated net realisable value, whichever is lower. Cost of inventory comprising Stores, spares and consumables are determined, applying weighted average method. Values of spares related to the machinery are charged out as consumption, over the effective life of the plant and machinery to which they relate.

Expenses incurred in respect of civil contract to the extent not billed on customers, is included as work in process.

1.9 Impairment

Fixed assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets 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.

1.10 Employee Benefits

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

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

Long term employee benefits under defined benefit scheme such as contribution to gratuity, leave etc. are determined at close of the year at present value of the amount payable using actuarial valuation techniques.

Actuarial gains and losses are recognised in the year when they arise.

1.11 Taxation

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

In pursuance of Section 80-IA of the Income Tax Act, 1961 the profits earned by various Generating Divisions is not taxable for a period of ten consecutive financial years out of fifteen years from commencement of operations, since those divisions are engaged in generation of electricity. Accordingly, based on the Accounting Standards interpretation on "Accounting for Taxes on Income AS 22", deferred tax accounting in respect of the timing differences arising and/or reversing during the tax holiday period has not been considered.

1.12 Borrowing Costs

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

1.13 Provisions, Contingent Liabilities and Contingent Assets

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



	As at 31st March 2012 ₹	As at 31st March 2011 ₹
NOTE 2		
SHARE CAPITAL		
Authorised		
35,000,000 (35,000,000) Equity shares of ₹ 10/- each	<u>350,000,000</u>	<u>350,000,000</u>
Issued, Subscribed & Paid-up		
27,500,000 (27,500,000) Equity shares of ₹ 10/- each, fully paid-up	<u>275,000,000</u>	<u>275,000,000</u>
	<u>275,000,000</u>	<u>275,000,000</u>
Shareholders holding more than 5% of shares		
	No. of shares	No. of shares
Sarvottam Caps Limited	11,269,082	11,269,082
Startrack Vinimay Pvt. Ltd.	2,143,001	2,143,001
Mr. Amar Singh	1,458,453	1,458,453
Citrus Securities Pvt. Ltd.	2,227,711	1,530,045
Rottex Mercantile Limited	4,100,000	3,775,000
NOTE 3		
RESERVES & SURPLUS		
Capital Reserve on Amalagamation	1,165,345	1,165,345
Capital Reserve	124,000,000	124,000,000
Securities Premium	350,000,000	350,000,000
General Reserve		
Opening Balance	—	—
Add : Transferred from Statement of Profit and Loss	2,288,636	—
Surplus in Statement of Profit and Loss		
Surplus :		
Opening Balance	498,154,992	459,501,624
Add : Profit/(Loss) for the year transferred from Statement of Profit and Loss	91,545,428	70,614,556
Less : Appropriations		
Transferred to General Reserve	2,288,636	—
Proposed Dividend on Equity shares	33,000,000	27,500,000
[Dividend per share ₹ 1.20 /- (Previous year ₹ 1 /-)]		
Tax on Dividend	5,353,425	4,461,188
Balance at the end of the year	<u>549,058,359</u>	<u>498,154,992</u>
Total	<u>1,026,512,339</u>	<u>973,320,337</u>



	As at 31st March 2012 ₹	As at 31st March 2011 ₹
NOTE 4		
LONG TERM BORROWINGS		
Unsecured		
Loan from related parties		
Loan from Associate Company	455,000,000	160,000,000
Loan from others		
From Bodies Corporate	155,450,000	510,586,000
	610,450,000	670,586,000
Terms of Repayment		
Period (Year)		
2012-13	Nil	
2013-14	Nil	
2014-15	610,450,000	
NOTE 5		
DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Assets		
Expenses allowable on payment basis	(1,528,053)	(16,27,285)
Deferred Tax Liabilities		
Depreciation Difference	43,611,830	48,041,617
	42,083,777	46,414,331
NOTE 6		
LONG TERM PROVISIONS		
Provision for Employee benefits		
Provision for leave encashment	3,466,058	3,364,058
Provision for Gratuity	977,287	1,491,746
	4,443,345	4,855,804
NOTE 7		
SHORT TERM BORROWINGS		
Secured		
Cash Credit from Allahabad Bank	95,429,469	—
	95,429,469	—

(Secured by hypothecation of entire stocks and other movables of the company including all movable Plants & Machineries, Furniture & 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) (Renewable every year).



	As at 31st March 2012 ₹	As at 31st March 2011 ₹
NOTE 8		
TRADE PAYABLES	87,922,067	74,646,807
	87,922,067	74,646,807

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

NOTE 9
OTHER CURRENT LIABILITIES

Interest accrued and due on borrowings (*)	24,899,090	12,793,880
Unpaid Dividends	420,658	348,690
Other Payables	138,147,959	110,847,707
	163,467,707	123,990,277

* Includes ₹ 24,637,316/- (Previous year ₹ 3,751,890/-) payable to Associate company.

NOTE 10
SHORT TERM PROVISIONS

Provision for Employee benefits		
Provision for leave encashment	265,000	249,000
Others		
Provision for Income Tax	42,513,669	70,611,617
Provision for Fringe Benefit Tax	1,017,826	1,717,826
Provision for Proposed Dividend	33,000,000	27,500,000
Provision for Dividend Distribution Tax	5,353,425	4,461,188
	82,149,920	104,539,631



**NOTE 11
FIXED ASSETS**

Amount in ₹

Name of the Assets	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	Cost as at 01.04.2011	Addition/ Adjustment	Deletion/ Adjustment	Cost as at 31.03.2012	As at 01.04.2011	During the year	Deduction/ Adjustment	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
(A) Tangible Assets										
Freehold Land	8,699,950	—	8,491,650	208,300	—	—	—	—	208,300	8,699,950
Leasehold Land [Note 1]	—	—	—	—	—	—	—	—	—	—
Office Premises	18,641,250	—	—	18,641,250	4,246,125	719,756	—	4,965,881	13,675,369	14,395,125
Buildings and Roads	107,987,892	4,945,349	—	112,933,241	7,154,989	3,439,273	—	10,594,262	102,338,979	100,832,903
Plant & Machinery	370,988,831	6,707,790	—	377,696,621	146,699,776	17,499,842	—	164,199,618	213,497,003	224,289,055
Hydraulic Works	155,110,028	—	—	155,110,028	62,211,869	6,343,380	—	68,555,249	86,554,780	92,898,159
Transmission Lines, Transformers, Cable Network, etc [Note 2]	53,466,018	—	—	53,466,018	23,502,358	2,689,448	—	26,191,806	27,274,212	29,963,660
Office Equipment	6,264,523	185,431	—	6,449,954	3,237,913	912,510	—	4,150,423	2,299,531	3,026,610
Furniture and Fixtures	15,255,071	110,281	—	15,365,352	4,212,862	2,235,985	—	6,448,847	8,916,505	11,042,209
Motor Vehicle	18,167,437	1,075,986	36,220	19,207,203	13,572,420	1,222,482	35,020	14,759,882	4,447,321	4,595,017
Windmill [Note 3]	184,767,000	—	—	184,767,000	29,297,263	9,771,825	—	39,069,088	145,697,912	155,469,737
TOTAL (A)	939,348,000	13,024,837	8,527,870	943,844,967	294,135,575	44,834,499	35,020	338,935,054	604,909,913	645,212,425
(B) Intangible Assets										
Computer Software	1,466,755	861,700	—	2,328,455	716,231	522,096	—	1,238,327	1,090,128	750,524
TOTAL (B)	1,466,755	861,700	—	2,328,455	716,231	522,096	—	1,238,327	1,090,128	750,524
TOTAL (A+B)	940,814,755	13,886,537	8,527,870	946,173,422	294,851,806	45,356,595	35,020	340,173,381	606,000,041	645,962,949
Previous Year	698,804,223	242,010,532	—	940,814,755	253,047,316	41,804,490	—	294,851,806	645,962,949	

Note : 1) 7.21 acres of Land has been taken on lease for 40 years w.e.f. 14th July, 1999 at an annual lease rent of ₹ 72,100/-.

2) 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.

3) Windmill includes Leasehold Land of ₹ 3,600,000/- (Previous year ₹ 3,600,000/-).



As at
31st March 2012
₹

As at
31st March 2011
₹

NOTE 12

NON CURRENT INVESTMENTS

(Long Term Investment at cost, unless otherwise stated)

Investment in Equity Shares of Subsidiary Companies (Unquoted)	% of Shareholding	As at 31st March 2012 ₹	As at 31st March 2011 ₹
Ayyappa Hydro Power Limited 20,000,000 (12,500,000) Equity Shares of ₹ 10/- each fully paid-up *	100	200,000,000	125,000,000
EDCL Power Projects Ltd. 3,750,000 (3,750,000) Equity Shares of ₹ 10/- each fully paid-up	100	40,000,000	40,000,000
Eastern Ramganga Valley Hydel Projects Co. Pvt. Ltd. 10,000 (10,000) Equity Shares of ₹ 10/- each fully paid-up	100	100,000	100,000
EDCL Arunachal Hydro Project Pvt. Ltd. 10,000 (10,000) Equity Shares of ₹ 10/- each fully paid-up	100	100,000	100,000
EDCL Seppa Beyong Hydro Electric Pvt. Ltd. 950,000 (10,000) Equity Shares of ₹ 10/- each fully paid-up	100	47,100,000	100,000
EDCL Seppa Dunkho Hydro Electric Pvt. Ltd. 950,000 (10,000) Equity Shares of ₹ 10/- each fully paid-up	100	47,100,000	100,000
EDCL Seppa Jung Power Pvt. Ltd. 450,000 (10,000) Equity Shares of ₹ 10/- each fully paid-up	100	22,100,000	100,000
EDCL Seppa Kawa Power Pvt. Ltd. 950,000 (10,000) Equity Shares of ₹ 10/- each fully paid-up	100	47,100,000	100,000
EDCL Seppa Lada Hydro Electric Pvt. Ltd. 950,000 (10,000) Equity Shares of ₹ 10/- each fully paid-up	100	47,100,000	100,000
EDCL Seppa Marjingla Hydro Electric Pvt. Ltd. 950,000 (10,000) Equity Shares of ₹ 10/- each fully paid-up	100	47,100,000	100,000
EDCL Seppa Nire Hydro Electric Pvt. Ltd. 40,000 (10,000) Equity Shares of ₹ 10/- each fully paid-up	100	19,600,000	100,000
EDCL Seppa Pachuk Power Pvt. Ltd. 950,000 (10,000) Equity Shares of ₹ 10/- each fully paid-up	100	47,100,000	100,000
EDCL Seppa Riang Power Pvt. Ltd. 150,000 (10,000) Equity Shares of ₹ 10/- each fully paid-up	100	7,100,000	100,000
EDCL Tawang Lower Tsachu Hydro Electric Pvt. Ltd. 25,000 (10,000) Equity Shares of ₹ 10/- each fully paid-up	100	850,000	100,000
EDCL Tawang Power Pvt. Ltd. 25,000 (10,000) Equity Shares of ₹ 10/- each fully paid-up	100	850,000	100,000
EDCL Tawang Upper Tsachu Hydro Electric Pvt. Ltd. 25,000 (10,000) Equity Shares of ₹ 10/- each fully paid-up	100	850,000	100,000
Sarju Valley Hydel Projects Co. Pvt. Ltd. 10,000 (10,000) Equity Shares of ₹ 10/- each fully paid-up	100	100,000	100,000
(A)		574,250,000	166,500,000



	As at 31st March 2012 ₹	As at 31st March 2011 ₹
Investment in 10% Cumulative Redeemable Preference Shares of Subsidiary Company (Unquoted)	% of Shareholding	
EDCL Seppa Riang Power Pvt. Ltd. 50,000 (Nil) Preference Shares of ₹ 100/- each fully paid-up	5,000,000	—
EDCL Tawang Lower Tsachu Hydro Electric Pvt. Ltd. 400,000 (Nil) Preference Shares of ₹ 100/- each fully paid-up	40,000,000	—
EDCL Tawang Power Pvt. Ltd. 400,000 (Nil) Preference Shares of ₹ 100/- each fully paid-up	40,000,000	—
EDCL Tawang Upper Tsachu Hydro Electric Pvt. Ltd. 30,000 (Nil) Preference Shares of ₹ 100/- each fully paid-up	30,000,000	—
(B)	115,000,000	—
Investment in Equity Instrument (Quoted)		
Vas Animation Ltd. Nil (1000) Equity Shares of ₹ 10/- each fully paid-up	—	89,004
(C)	—	89,004
Investment in PMS (Unquoted)		
Sai Rayalaseema Paper Mills Ltd. 18,810 (18,810) Equity Shares of ₹ 10/- each fully paid-up	228,542	228,542
(D)	228,542	228,542
Total (A+B+C+D)	689,478,542	166,817,546
Aggregate amount of quoted investments	—	89,004
Aggregate market value of quoted investments	—	74,400
Aggregate amount of unquoted investments	689,478,542	166,728,542

*The shares held in Ayyappa Hydro Power Ltd., a subsidiary was pledged (3,750,000 shares) with the lender of the said subsidiary. Further the Company has given a non-disposable undertaking (8,750,000 shares) to the lender of the said subsidiary.

NOTE 13

LONG TERM LOANS AND ADVANCES

(Unsecured - Considered Good)

Loan to Subsidiaries	615,596,900	1,131,749,890
Capital Advances	23,000,000	13,000,000
Security Deposits	3,543,298	1,458,712
	642,140,198	1,146,208,602



	As at 31st March 2012 ₹	As at 31st March 2011 ₹
NOTE 14		
INVENTORIES		
(As taken, valued and certified by the management)		
Contract Work-in-Progress	42,851,607	16,612,471
Stores, Spares and Consumables	5,382,102	5,428,669
	<u>48,233,709</u>	<u>22,041,140</u>

NOTE 15**TRADE RECEIVABLES**

(Unsecured - Considered Good unless otherwise stated)

Outstanding for a period of more than six months	104,239,958	11,025,585
Less : Provision for bad & doubtful debt (Refer Note 26)	21,641,427	—
	<u>82,598,531</u>	11,025,585
Other Debts (*)	102,471,022	82,913,269
	<u>185,069,553</u>	<u>93,938,854</u>

* Includes ₹ 8,057,415/- (Previous Year ₹ Nil) from subsidiaries

NOTE 16**CASH AND BANK BALANCES****Cash and cash equivalents**

Cash on hand	125,725	811,497
Balance with Banks		
- on Current Accounts	8,970,421	14,311,017
- on Cash Credit Account	—	1,794,903
- on Unpaid Dividend Account	420,658	348,458
Other Bank balances		
- on Margin Money Accounts	46,186,000	35,674,000
	<u>55,702,804</u>	<u>52,939,875</u>

NOTE 17**SHORT TERM LOANS AND ADVANCES**

(Unsecured - Considered Good)

Advance (recoverable in cash or in kind or for value to be received) (*)	31,592,760	74,382,084
Advance Income Tax including Tax deducted at Source	44,224,578	69,307,883
Advance Fringe Benefit Tax	953,963	1,703,963
	<u>76,771,301</u>	<u>145,393,930</u>

* Includes ₹ 38,957/- (Previous Year ₹ 67,925/-) receivable from Subsidiary Company.

NOTE 18**OTHER CURRENT ASSETS**

Interest Receivable (*)	84,062,475	50,292
	<u>84,062,475</u>	<u>50,292</u>

* Includes ₹ 84,029,653/- (Previous Year ₹ Nil) receivable from Subsidiary Company.



	Year ended 31st March 2012 ₹	Year ended 31st March 2011 ₹
NOTE 19		
REVENUE FROM OPERATIONS		
Sale of Products	510,423,808	437,759,899
Sale of Services	101,672,721	35,737,200
	<u>612,096,529</u>	<u>473,497,099</u>
Less : Service Tax	9,494,370	3,337,200
	<u>602,602,159</u>	<u>470,159,899</u>

NOTE 20

OTHER INCOME

Interest Received(*) [Gross of tax deducted at source ₹ 9,818,946/- (Previous year ₹ 536,871/-)]	97,377,686	5,932,909
Dividend on Investments	—	63,873
Net gain on Sale of Long Term Investments	20,996	41,524,214
Profit on Sale of Fixed Assets (**)	3,307,150	—
Liability no longer required written back	850,673	162,340
Miscellaneous Income	103,728	299,143
	<u>101,660,233</u>	<u>47,982,478</u>

* Includes ₹ 93,366,280/- (Previous Year ₹ Nil) amount received from subsidiary company

**Includes ₹ 3,298,350/- from subsidiary company.

NOTE 21

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

Opening stock of Contract Work-in-Progress	16,612,471	5,967,818
Less : Closing Stock of Contract Work-in-Progress	42,851,607	16,612,471
	<u>(26,239,136)</u>	<u>(10,644,653)</u>

NOTE 22

EMPLOYEE BENEFITS EXPENSE

Salaries & Wages	40,814,133	32,146,840
Contribution to Provident and other Funds	443,213	432,193
Staff welfare expenses	3,197,061	1,893,510
	<u>44,454,407</u>	<u>34,472,543</u>



Employees Benefits

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

(i) Defined Contribution Scheme

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

Employer's Contribution to Provident Fund ₹ 108,047/- (Previous year ₹ 106,684/-)

Employer's Contribution to Pension Fund ₹ 245,026/- (Previous year ₹ 251,260/-)

(ii) Defined Benefit Scheme

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

(₹ in lacs)

	Particulars	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)
		31.03.2012	31.03.2012	31.03.2011	31.03.2011
	Expenses Recognized in the Profit & Loss Account				
1.	Current Service Cost	9.23	7.32	13.79	5.83
2.	Interest Cost	4.18	3.00	2.02	1.72
3.	Expected return on plan assets	(3.58)	—	(2.66)	—
4.	Actuarial Losses / (Gains)	(6.23)	(9.14)	11.45	7.95
	Total Expenses	3.60	1.18	24.60	15.50
	Change in the obligation during the year				
	Present value of Defined Benefit Obligation at the beginning of the year	50.98	36.13	21.10	16.76
1.	Acquisition	—	—	3.62	4.08
2.	Current Service Cost	9.23	7.32	13.79	5.83
3.	Interest Cost	4.18	3.00	2.02	1.72
4.	Benefit Paid	(1.34)	—	(0.68)	(0.21)
5.	Actuarial (Gains) / Losses	(6.45)	(9.14)	11.13	7.95
	Present value of Defined Benefit Obligation at the end of the year	56.60	37.31	50.98	36.13
	Change in Assets during the year ended March 31, 2012				
	Plan Assets at the beginning of the year	36.07	—	25.40	—
1.	Contribution by Employer	8.74	—	9.01	0.21
2.	Expected return on plan assets	3.58	—	2.66	—
3.	Benefit Paid	(1.34)	—	(0.68)	(0.21)
4.	Actuarial Gains / (Losses)	(0.22)	—	(0.32)	—
	Plan Assets at the end of the year	46.83	—	36.07	—
	Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the year ended March 31, 2012				
	Net Asset / (Liability) at beginning of the year	(14.91)	(36.13)	4.30	(16.76)
1.	Acquisition	—	—	(3.62)	(4.08)
2.	Employer Expenses	(3.60)	(1.18)	(24.60)	(15.50)
3.	Employer Contributions	8.74	—	9.01	0.21
	Net Asset / (Liability) at the end of the year	(9.77)	(37.31)	(14.91)	(36.13)
	Actuarial Assumptions				
1	Discount Rate	8.60%	8.60%	8.30%	8.30%
2	Expected Rate of Return on Plan Assets	9.00%	Not Applicable	9.00%	Not Applicable



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

(₹ in lacs)

Particulars	Gratuity (Funded)			
	2011-2012	2010-2011	2009-2010	2008-2009
Present value of defined benefit obligations	(56.60)	(50.98)	(21.10)	(21.51)
Fair value of plan assets	46.83	36.07	25.40	16.09
Surplus/(Deficit)	(9.77)	(14.91)	4.30	(5.42)
Experience adjustment on plan liabilities (loss)/gain	(4.09)	(11.13)	5.95	(0.74)
Experience adjustment on plan assets (loss)/gain	(0.22)	(0.32)	(0.36)	(0.04)

Notes :

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

	Year ended 31st March 2012 ₹	Year ended 31st March 2011 ₹
NOTE 23		
FINANCE COSTS		
Interest Paid		
On Cash-Credit	2,857,978	3,457,409
On Others (*)	66,741,527	—
Other borrowing cost	7,635,507	1,664,924
	<u>77,235,012</u>	<u>5,122,333</u>

* Includes ₹ 46,806,576/- (Previous year ₹ 11,625,206/-) paid to Associate Company.

NOTE 24**OTHER EXPENSES**

Payment to Auditors :		
- As Auditors	150,000	150,000
- For Taxation matters	50,000	50,000
- Other Services	50,500	65,500
Cost of Power Purchased	1,716,026	4,072,358
Stores and Spares consumed (*)	825,275	840,038
Contract, Consultancy and Service Charges	54,135,574	30,572,003
Rent	8,703,782	7,925,419
Repairs & Maintenance :		
- Plant & Machinery	7,602,901	6,837,665
- Others	3,391,089	1,680,125
Rates & Taxes	6,514,575	764,221
Travelling & Conveyance Expenses	9,819,812	10,371,124
Insurance	962,098	938,214
Legal & Professional charges	7,675,752	8,860,936
Security Services	1,746,531	1,592,457
Telephone, Fax, Postal etc.	1,778,349	1,864,312
Miscellaneous Expenses	7,937,614	5,694,154
	<u>113,059,879</u>	<u>82,278,526</u>

* Value of consumption of stores and spare parts :

- (i) The entire consumption is out of indigenous supplies.
(ii) Consumption as above includes ₹ 309,911/- (Previous year ₹ 309,064/-) on account of amortisation of spares.
(iii) Stores and Spare parts included in inventory are largely consumed as replacements and hence their consumption may not be comparable on a year on year basis.

**NOTE 25****Commitment**

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 202,245,697/- (Previous year ₹ 17,000,000/-).
- b) The company has given guarantee in respect of loan taken by one of its subsidiary (Outstanding balance as on 31.03.2012 ₹ 445,882,806/-).

NOTE 26

Certain debtors aggregating to ₹ 43,282,853/- are recoverable for a considerable period. In view of the persuasive and other steps being taken, these balances have been considered to be fully recoverable, however in accordance with the prudent accounting policy, a provision for bad and doubtful debts have been made in the accounts to the extent of 50% of the outstanding, as on 31st March, 2012 as disclosed in note no. 15.

NOTE 27**Related Party disclosures pursuant to Accounting Standard -18 :**

(a) Key Management Personnel and their relative	
	Mr. Amar Singh (Non Executive Chairman)
	Mrs. Pankaja Kumari Singh (Wife of the Non Executive Chairman)
	Mr. Sanjiv Saraf (Executive Director)
	Mrs. Indira Saraf (Wife of the Executive Director)
(b) Subsidiary Companies	
1	Ayyappa Hydro Power Limited
2	Eastern Ramganga Valley Hydel Projects Co Pvt Ltd
3	EDCL Arunachal Hydro Project Pvt Ltd
4	EDCL Power Project Limited
5	EDCL Seppa Beyong Hydro Electric Pvt Ltd
6	EDCL Seppa Dunkho Hydro Electric Pvt Ltd
7	EDCL Seppa Jung Power Pvt Ltd
8	EDCL Seppa Kawa Power Pvt Ltd
9	EDCL Seppa Lada Hydro Electric Pvt Ltd
10	EDCL Seppa Marjingla Hydro Electric Pvt Ltd
11	EDCL Seppa Nire Hydro Electric Pvt Ltd
12	EDCL Seppa Pachuk Power Pvt Ltd
13	EDCL Seppa Rieng Power Pvt Ltd
14	EDCL Tawang Lower Tsachu Hydro Electric Pvt Ltd
15	EDCL Tawang Power Pvt Ltd
16	EDCL Tawang Upper Tsachu Hydro Electric Pvt Ltd
17	Sarju Valley Hydel Projects Company Pvt Ltd
(c) Associates	
	Sarvottam Caps Limited

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

	Managerial Remuneration	Rent Paid	Directors Sittings Fees	Security Deposit Given
Mr. Amar Singh	1,600,000 (4,800,000)	300,000 (360,000)	— —	300,000 (300,000)
Mr. Sanjiv Saraf	3,820,000 (2,000,000)	720,000 (720,000)	— —	— —
Mrs. Pankaja Kumari Singh	— —	— (300,000)	25,000 (15,000)	300,000 (300,000)
Mrs. Indira Saraf	— —	792,000 (420,000)	— —	— —



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

Transactions during the year	Investment in Equity Shares		Investment in Preference Shares		Loans & Advances Given		Loans & Advances Realised		Interest Received		Service Charges Received	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
1 Ayyappa Hydro Power Limited	75,000,000	—	—	—	132,109,800	214,221,411	75,200,000	54,600,000	—	—	12,000,000	6,000,000
2 Eastern Ramganga Valley Hydel Projects Co Pvt Ltd	—	100,000	—	—	4,771,974	82,013,612	—	—	9,988,006	—	2,400,000	—
3 EDCL Arunachal Hydro Project Pvt Ltd	—	100,000	—	—	4,222,526	3,216,981	—	—	552,832	—	—	—
4 EDCL Power Projects Limited	—	—	—	—	4,100,000	5,245,354	5,300,000	375,152,724	—	—	9,000,000	9,000,000
5 EDCL Seppa Beyong Hydro Electric Pvt Ltd	47,000,000	100,000	—	—	33,277,474	93,376,414	124,000,000	—	8,023,321	—	3,600,000	—
6 EDCL Seppa Dunkho Hydro Electric Pvt Ltd	47,000,000	100,000	—	—	47,626,490	134,777,774	151,500,000	—	11,946,085	—	4,800,000	—
7 EDCL Seppa Jung Power Pvt Ltd	22,000,000	100,000	—	—	19,827,513	42,482,695	62,000,000	—	2,829,283	—	2,400,000	—
8 EDCL Seppa Kawa Power Pvt Ltd	47,000,000	100,000	—	—	39,000,607	68,187,539	102,000,000	—	5,401,271	—	3,600,000	—
9 EDCL Seppa Lada Hydro Electric Pvt Ltd	47,000,000	100,000	—	—	35,915,456	86,105,560	101,500,000	—	8,107,214	—	3,600,000	—
10 EDCL Seppa Marjingla Hydro Electric Pvt Ltd	47,000,000	100,000	—	—	50,120,610	131,873,821	139,500,000	—	12,658,350	—	4,800,000	—
11 EDCL Seppa Nire Hydro Electric Pvt Ltd	19,500,000	100,000	—	—	13,620,602	26,782,795	39,500,000	—	2,215,084	—	2,400,000	—
12 EDCL Seppa Pachuk Power Pvt Ltd	47,000,000	100,000	—	—	65,666,492	182,549,822	192,000,000	—	14,394,098	—	4,800,000	—
13 EDCL Seppa Rieng Power Pvt Ltd	7,000,000	100,000	—	—	13,820,602	35,315,888	47,000,000	—	2,168,699	—	2,400,000	—
14 EDCL Tawang Lower Tsachu Hydro Electric Pvt Ltd	750,000	100,000	—	—	85,524,042	7,533,642	50,750,000	—	3,662,028	—	4,800,000	—
15 EDCL Tawang Power Pvt Ltd	750,000	100,000	—	—	84,377,210	14,612,659	53,250,000	—	3,541,812	—	4,800,000	—
16 EDCL Tawang Upper Tsachu Hydro Electric Pvt Ltd	750,000	100,000	—	—	33,927,518	13,106,087	43,250,000	—	1,889,293	—	2,400,000	—
17 Sarju Valley Hydel Projects Company Pvt Ltd	—	100,000	—	—	2,688,094	48,993,190	—	—	5,988,904	—	1,200,000	—
Transactions during the year	Sale of Land		Expenses Recovered									
	31.03.2012	31.03.2011	31.03.2012	31.03.2011								
Ayyappa Hydro Power Limited	11,790,000	—	851,755	—								



(₹ in lacs)

	Outstanding as at the year end	Loans & Advances		Interest Receivable		Trade Receivables		Advance Receivables		Share Investment	
		31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
1	Ayyappa Hydro Power Limited	216,531,211	159,621,411	—	—	2,978,100	—	38,957	—	200,000,000	125,000,000
2	Eastern Ramganga Valley Hydel Projects Co Pvt Ltd	86,785,586	82,013,612	8,989,205	—	397,080	—	—	—	100,000	100,000
3	EDCL Arunachal Hydro Project Pvt Ltd	7,439,507	3,216,981	497,549	—	—	—	—	—	100,000	100,000
4	EDCL Power Project Limited	—	1,200,000	—	—	810,705	—	—	(20,153)	40,000,000	40,000,000
5	EDCL Seppa Beyong Hydro Electric Pvt Ltd	2,653,888	93,376,414	7,220,989	—	297,810	—	—	—	47,100,000	100,000
6	EDCL Seppa Dunkho Hydro Electric Pvt Ltd	30,904,264	134,777,774	10,751,476	—	397,080	—	—	—	47,100,000	100,000
7	EDCL Seppa Jung Power Pvt Ltd	310,208	42,482,695	2,546,355	—	198,540	—	—	—	22,100,000	100,000
8	EDCL Seppa Kawa Power Pvt Ltd	5,188,146	68,187,539	4,861,144	—	297,810	—	—	—	47,100,000	100,000
9	EDCL Seppa Lada Hydro Electric Pvt Ltd	20,521,016	86,105,560	7,296,493	—	297,810	—	—	—	47,100,000	100,000
10	EDCL Seppa Marjingla Hydro Electric Pvt Ltd	42,494,431	131,873,821	11,392,515	—	397,080	—	—	—	47,100,000	100,000
11	EDCL Seppa Nire Hydro Electric Pvt Ltd	903,397	26,782,795	1,993,576	—	198,540	—	—	—	19,600,000	100,000
12	EDCL Seppa Pachuk Power Pvt Ltd	56,216,314	182,549,822	12,954,688	—	397,080	—	—	—	47,100,000	100,000
13	EDCL Seppa Riang Power Pvt Ltd	2,136,490	35,315,888	1,951,829	—	198,540	—	—	—	7,100,000	100,000
14	EDCL Tawang Lower Tsachu Hydro Electric Pvt Ltd	42,307,684	7,533,642	3,295,825	—	397,080	—	—	—	850,000	100,000
15	EDCL Tawang Power Pvt Ltd	45,739,869	14,612,659	3,187,631	—	397,080	—	—	—	850,000	100,000
16	EDCL Tawang Upper Tsachu Hydro Electric Pvt Ltd	3,783,605	13,106,087	1,700,364	—	198,540	—	—	—	850,000	100,000
17	Sarju Valley Hydel Projects Company Pvt Ltd	51,681,284	48,993,190	5,390,014	—	198,540	—	—	—	100,000	100,000

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

Particulars	2011-12 (₹)	2010-11 (₹)
Transactions during the year -		
Interest paid	46,806,576	11,625,206
Loan taken	300,000,000	240,000,000
Loan repaid	5,000,000	150,000,000
Outstanding balance as at the year end		
Loan	455,000,000	160,000,000
Interest payable	24,637,316	3,751,890

Notes :

- In respect of above parties, there is no provision for doubtful debts as on 31st March 2012 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 28

QUANTITATIVE INFORMATION

(A) Details in respect of Generating Capacity :

	31st March 2012	31st March 2011
The derated installed capacity*:		
- of the hydel power plants	15 M.W	15 M.W
- of the wind turbine generators	3 M.W	3 M.W
Total number of the units generated and sold (In million units)*		
- From the hydel power plant	40.08	25.88
- From wind turbine generator	6.81	5.89

* This being a technical matter has been taken as certified by the management and has not been verified by the auditors.

(B) Units purchased for operations of plant 173,370 units.

(C) The company purchases various items which can be broadly classified as project materials hence further classification of the same has not been carried out.

NOTE 29

EARNINGS PER SHARE (EPS) :

Particulars	2011-12 (₹)	2010-11 (₹)
Basic and Diluted Earnings per share has been computed as under :		
(a) Profit after tax	91,545,428	70,614,556
(b) Weighted Average Number of Equity Shares issued (Nos.)	27,500,000	27,500,000
(c) Basic & Diluted Earnings per share (in ₹) (Face value ₹ 10/- per Share) (a)/(b)	3.33	2.57

NOTE 30

PAYMENT IN FOREIGN CURRENCY :

	2011-12 (₹)	2010-11 (₹)
Travelling	3,980,846	5,363,894
Professional Charges	300,931,067	22,722,255

**NOTE 31****SEGMENT REPORTING**

Segments have been identified in line with the Accounting Standards AS-17 taking into account the organization structure as well as the differencing risk and return. The Company's business segment comprises of (1) generation and sale of electricity (SOE) and (2) sale of project materials, consultancy and service charges (Contract Division). These have been identified by the type of their respective sales and services rendered.

Particulars	Sale of Electricity		Contract Division		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Revenue :						
External sales *	166,485,608	125,181,892	436,116,551	344,978,007	602,602,159	470,159,899
Result :						
Segments	110,274,038	72,091,755	12,246,858	6,135,937	122,520,896	78,227,692
Less-Interest and Finance Charges					77,235,012	5,122,333
Less : Other common expenses (net)					(66,428,779)	(6,296,014)
Total Profit Before Tax					111,714,663	79,401,373
Provisions For Tax					20,169,235	8,786,817
Profit After Tax					91,545,428	70,614,556
Segments Assets	577,333,499	615,107,340	301,741,540	184,784,828	879,075,039	799,892,168
Unallocable Corporate Assets					1,516,388,323	1,473,461,020
TOTAL					2,395,463,362	2,273,353,188
Segments Liabilities	1,059,409	17,716,833	219,115,107	157,019,868	220,174,516	174,736,701
Unallocable Corporate Liabilities					2,175,288,846	2,098,616,487
TOTAL					2,395,463,362	2,273,353,188

* Sales/Income from operations (net of service tax) includes ₹ 92,178,351/- (Previous Year ₹ 32,400,000/-) on account of income from consultancy and other services.

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.

As the company operates entirely in India no secondary segment has been identified for the above purpose.

NOTE 32**COMPARATIVES**

The previous year's figures have been regrouped and rearranged wherever considered necessary .

As per our Report of even date

For **Lodha and Co.**

Chartered Accountants

Sd/- **H S Jha**

Partner

Place : Kolkata

Date : 25th May, 2012

For and on behalf of the Board of Directors

Sd/- **Amar Singh**, Non Executive Chairman

Sd/- **Sanjiv Saraf**, Executive Director

Sd/- **Sanjay Kumar Gupta**, Director &
Chairman, Audit Committee

Sd/- **Tarun Chaturvedi**, Director

Sd/- **Indranil Banerjee**, Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012

Particulars	For the year ended 31.03.2012		For the year ended 31.03.2011	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
A) Cash Flow From Operating Activities				
Profit/ (Loss) before taxation		11 1,714,663		79,401,373
Adjustments for :				
Depreciation	45,356,595		41,804,491	
Amortisation of Stores, Spares & Tools	309,911		309,064	
Interest & Finance Charges	77,235,012		5,122,333	
(Profit)/Loss on Sale of Fixed Assets (Net)	(3,307,150)		—	
(Profit)/Loss on Sale of Current Investment	—		512	
(Profit)/Loss on Sale of Investments	(20,996)		(41,524,726)	
Interest Received	(97,377,686)		(5,932,909)	
Irrevocable Balances Written-Off	342,562		1,037	
Liability no longer required written back	(850,673)		(162,340)	
Dividend on current investments	—	21,687,575	(63,873)	(446,411)
Operating Profit before Working Capital Changes		133,402,238		78,954,962
Adjustments for :				
(Increase)/Decrease in Inventory	(26,502,480)		(10,384,919)	
(Increase)/Decrease in Trade and Other receivables	455,384,466		500,859,002	
Increase/(Decrease) in Trade and Other payables	41,101,694	469,983,679	(133,964,935)	(645,208,855)
Cash generated from operations		603,385,917		(566,253,893)
Direct Taxes paid (Net of refund)		(27,464,432)		(17,497,699)
Net Cash Flow from Operating Activities		575,921,485		(583,751,592)
B) Cash Flow from Investing Activities				
Purchase of Fixed Assets		(13,886,537)		(242,010,532)
Sale of Fixed Assets		11,800,000		—
Capital Work-in-Progress		—		686,910,558
Purchase of Investments		(522,750,000)		(36,500,000)
Sale of Investments		110,000		45,131,552
Interest Received		13,365,503		5,926,758
Dividend Received		—		63,873
Net Cash Flow from Investing Activities		(511,361,034)		459,522,209
C) Cash Flow from Financing Activities				
Proceeds from/(repayments) of borrowings		35,293,469		116,031,803
Interest & Finance Charges		(65,129,802)		(5,122,333)
Dividend Paid		(27,500,000)		(27,500,000)
Dividend Distribution Tax Paid		(4,461,188)		(4,673,625)
Net Cash Flow from Financing Activities		(61,797,521)		78,735,845
Net Increase/(Decrease) in Cash & Cash Equivalents		2,762,929		(45,493,537)
Cash and Cash equivalents at the beginning of the year		52,939,875		98,433,412
Cash and Cash equivalents at the end of the year		55,702,804		52,939,875

- Notes: 1) Cash and Bank Balance as on 31.03.2012 includes ₹ 46,186,000/- (Previous Year ₹ 35,674,000/-) as Margin Money Accounts.
2) Cash Flow Statement is prepared by the indirect method as set out in Accounting Standard - 3 on Cash Flow Statement
3) Cash & Cash Equivalents presented in the statement consists of cash on hand and demand deposits with bank as on the balance sheet date.

As per our Report of even date
For **Lodha and Co.**
Chartered Accountants
Sd/- **H S Jha**
Partner

Place : Kolkata
Date : 25th May, 2012

For and on behalf of the Board of Directors
Sd/- **Amar Singh**, Non Executive Chairman
Sd/- **Sanjiv Saraf**, Executive Director
Sd/- **Sanjay Kumar Gupta**, Director &
Chairman, Audit Committee
Sd/- **Tarun Chaturvedi**, Director
Sd/- **Indranil Banerjee**, Company Secretary



AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF ENERGY DEVELOPMENT COMPANY LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ENERGY DEVELOPMENT COMPANY LIMITED AND IT'S SUBSIDIARIES.

1. We have audited the attached Consolidated Balance Sheet of Energy Development Company Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 31st March 2012 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are prepared, in all material respect, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.
3. *Attention is invited to Note 27 (ii) regarding the status of a project in a subsidiary, were there has been delay in implementation and accordingly we are unable to comment on the capital work in progress as at the year end, the impact of which cannot be ascertained and commented upon by us.*
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements", on the basis of separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.
5. Based on our audit and on the basis of the information and explanations given to us, we are of the opinion that the said consolidated financial statements, *subject to our remarks as given in Para 3 above, in respect of which we are unable to ascertain and indicate the impact thereof on these consolidated financial statements, and read together with the other notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India :*
 - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2012;
 - b) in the case of the Consolidated Statement of Profit and Loss, of the consolidated results of operations of the Group for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Place : Kolkata
Date : 25th May, 2012

For **Lodha & Co.**
Chartered Accountants
Firm ICAI Registration No.: 301051E
Sd/- **H. S. Jha**
Partner
Membership No. : 55854



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	Amount in ₹	
		As at 31st March 2012	As at 31st March 2011
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	610,000,000	275,000,000
Reserves and Surplus	3	1,023,508,898	990,223,525
Non-Current Liabilities			
Long-term borrowings	4	1,798,932,806	1,449,664,767
Deferred tax liabilities (Net)	5	38,144,804	43,775,598
Long term provisions	6	4,443,345	4,855,804
Current Liabilities			
Short-term borrowings	7	95,429,469	—
Trade payables	8	122,451,630	88,749,832
Other current liabilities	9	279,445,902	143,543,190
Short-term provisions	10	83,208,243	107,202,954
Total		4,055,565,097	3,103,015,670
ASSETS			
Non-current assets			
Fixed assets	11		
- Tangible assets		943,740,556	1,001,953,582
- Intangible assets		1,105,825	1,008,425
- Capital Work-in-progress	27	2,492,406,834	1,442,027,647
Non-current investments	12	1,928,542	2,017,546
Long term loans and advances	13	205,179,008	207,907,229
Current assets			
Inventories	14	58,424,520	31,924,035
Trade receivables	15	213,065,490	120,371,058
Cash and bank balances	16	57,665,527	131,671,651
Short-term loans and advances	17	82,012,800	164,081,346
Other current assets	18	35,995	53,151
Total		4,055,565,097	3,103,015,670
Significant Accounting Policies	1		

The accompanying notes (1-32) form an integral part of financial statements.

As per our Report of even date
For **Lodha and Co.**
Chartered Accountants
Sd/- **H S Jha**
Partner

Place : Kolkata
Date : 25th May, 2012

For and on behalf of the Board of Directors
Sd/- **Amar Singh**, Non Executive Chairman
Sd/- **Sanjiv Saraf**, Executive Director
Sd/- **Sanjay Kumar Gupta**, Director &
Chairman, Audit Committee
Sd/- **Tarun Chaturvedi**, Director
Sd/- **Indranil Banerjee**, Company Secretary



CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	Amount in ₹	
		Year ended 31st March 2012	Year ended 31st March 2011
Revenue from operations	19	650,134,564	520,665,204
Other Income	20	98,422,002	48,048,424
Total Revenue		748,556,567	568,713,628
Expenses :			
Cost of materials consumed		29,073,289	10,881,776
Purchase of Stock-in-Trade		287,966,257	274,825,987
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(26,239,136)	(10,644,653)
Employee benefits expense	22	44,454,407	34,954,183
Finance costs	23	115,408,729	20,071,114
Depreciation and amortisation expense	11	62,616,830	59,085,423
Provision for bad & doubtful debt		21,641,427	—
Other expenses	24	123,112,101	94,792,945
Total Expenses		658,033,903	483,966,775
Profit/(Loss) before tax for the year		90,522,663	84,746,853
Tax expense :			
- Current tax		26,700,000	17,417,360
- Tax for earlier years		(2,185,341)	(3,565,516)
- Deferred tax		(5,630,794)	(4,985,318)
		18,883,865	8,866,526
Profit/(Loss) after tax for the year		71,638,798	75,880,327
Earnings per equity share of ₹ 10 each :	29		
- Basic & Diluted		2.61	2.76

Significant Accounting Policies 1

The accompanying notes (1-32) form an integral part of financial statements.

As per our Report of even date
For **Lodha and Co.**
Chartered Accountants
Sd/- **H S Jha**
Partner

Place : Kolkata
Date : 25th May, 2012

For and on behalf of the Board of Directors
Sd/- **Amar Singh**, Non Executive Chairman
Sd/- **Sanjiv Saraf**, Executive Director
Sd/- **Sanjay Kumar Gupta**, Director &
Chairman, Audit Committee
Sd/- **Tarun Chaturvedi**, Director
Sd/- **Indranil Banerjee**, Company Secretary



NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

1.1 Principles of Consolidation

- a) The Consolidated Financial Statements of Energy Development Company Limited (“the Company”) and its Subsidiary Companies have been prepared in accordance with Accounting Standard (AS 21) on “Consolidated Financial Statements”. The basis of preparation of the Consolidated Financial Statements is as follows :
- The financial statements (the Balance Sheet and the Statement of Profit and Loss of the Company and the Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and transactions if any and the resulting unrealized profits or losses.
 - The financial statement of the subsidiaries used in the consolidation is drawn upto 31st March 2012, the same reporting date as that of the Company.
 - The differential with respect to the cost of investments in the subsidiary over the Company’s portion of equity is recognized as Goodwill or Capital Reserve, as the case may be.
- b) The Subsidiaries (all incorporated in India) which have been included in this Consolidated Financial Statements along with the Company’s holdings therein are given here under :

Sl No.	Name of the Company	% of holdings	
		2011-12	2010-11
1.	Ayyappa Hydro Power Limited (AHPL)	100	100
2.	EDCL Power Projects Limited (PPL)	100	100
3.	Eastern RamGanga Valley Hydel Projects Company Pvt. Ltd.	100	100
4.	Sarju Valley Hydel Projects Company Pvt. Ltd.	100	100
5.	EDCL Arunachal Hydro Project Pvt. Ltd.	100	100
6.	EDCL Seppa Beyong Hydro Electric Pvt. Ltd.	100	100
7.	EDCL Seppa Nire Hydro Electric Pvt. Ltd.	100	100
8.	EDCL Seppa Dhunko Hydro Electric Pvt. Ltd.	100	100
9.	EDCL Seppa Lada Hydro Electric Pvt. Ltd.	100	100
10.	EDCL Seppa Marjingla Hydro Electric Pvt. Ltd.	100	100
11.	EDCL Seppa Jung Power Pvt. Ltd.	100	100
12.	EDCL Seppa Kawa Power Pvt. Ltd.	100	100
13.	EDCL Seppa Pachuk Power Pvt. Ltd.	100	100
14.	EDCL Seppa Riang Power Pvt. Ltd.	100	100
15.	EDCL Tawang Power Pvt. Ltd.	100	100
16.	EDCL Tawang Lower Tsachu Hydro Electric Pvt. Ltd.	100	100
17.	EDCL Tawang Upper Tsachu Hydro Electric Pvt. Ltd.	100	100

**1.2 Basis of preparation of financial statements**

The accounts have been prepared under the historical cost convention and in accordance with the provisions of the Companies Act, 1956 and accounting standards notified vide Companies (Accounting Standards) Rules, 2006. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

1.3 Use of Estimates

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

1.4 Fixed Assets

Fixed assets 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 fixed assets, 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.

1.5 Expenditure during Construction Period

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

1.6 Depreciation and Amortisation

Depreciation on all assets, other than the generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers & cable network has been provided on written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

In respect of assets of generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers & cable network depreciation has been provided on straight line method at the rates prescribed under schedule XIV to the Companies Act, 1956. Erection and maintenance tools are amortised over a period of five years on pro-rata basis. In case of computer software, depreciation has been charged at a rate of 40% on written down value method.

Assets having actual cost of ₹ 5,000/- or less have been written off in the year of acquisition, irrespective of the period of use.

1.7 Investments

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

1.8 Revenue Recognition

- a) Sales of electricity generated are accounted for on delivery to the grid.
- b) Revenue in respect of Contract Division from sale of goods is recognized on delivery of the goods and from consultancy and other services are recognized on Proportionate Completion method with reference to the performance of the activities.

1.9 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. Values of spares related to the machinery are charged out as consumption, over the effective life of the plant and machinery to which they relate. Expenses incurred in respect of civil contract, to the extent not billed on customers, is included as work in process.

**1.10 Impairment**

Fixed assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognised, whenever the carrying amounts of assets exceeds recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing the value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets.

1.11 Employee Benefits

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

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

Long term employee benefits under defined benefit scheme such as contribution to gratuity, leave etc. are determined at close of the year at present value of the amount payable using actuarial valuation techniques.

Actuarial gains and losses are recognised in the year when they arise.

1.12 Taxation

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

In pursuance of Section 80-IA of the Income Tax Act, 1961 the profits earned by various Generating Divisions are not taxable for a period of ten consecutive financial years out of fifteen years from commencement of operations, since those divisions are engaged in generation of electricity. Accordingly, based on the Accounting Standards interpretation on "Accounting for Taxes on Income AS 22", deferred tax accounting in respect of the timing differences arising and/or reversing during the tax holiday period has not been considered.

1.13 Borrowing Costs

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

1.14 Provisions, Contingent Liabilities and Contingent Assets

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

1.15 Goodwill

Goodwill arising out of acquisition of equity stake in subsidiary is amortized in equal amount over a period of five years from the subsequent year of acquisition.



	As at 31st March 2012 ₹	As at 31st March 2011 ₹
NOTE 2		
SHARE CAPITAL		
Authorised		
35,000,000 (35,000,000) Equity shares of ₹ 10/- each	<u>350,000,000</u>	<u>350,000,000</u>
Issued, Subscribed & Paid-up		
27,500,000 (27,500,000) Equity shares of ₹ 10/- each, fully paid up	<u>275,000,000</u>	<u>275,000,000</u>
	<u>275,000,000</u>	<u>275,000,000</u>
3,350,000 (Nil) 10% Cumulative Redeemable Preference shares of ₹ 100/- each. (Redeemable within 20 years of allotment)	<u>335,000,000</u>	—
	<u>335,000,000</u>	—
Shareholders holding more than 5% of Equity shares		
	No. of shares	No. of shares
Sarvottam Caps Limited	11,269,082	11,269,082
Startrack Vinimay Pvt. Ltd.	2,143,001	2,143,001
Mr. Amar Singh	1,458,453	1,458,453
Citrus Securities Pvt. Ltd.	2,227,711	1,530,045
Rottex Mercantile Limited	4,100,000	3,775,000
NOTE 3		
RESERVES & SURPLUS		
Capital Reserve on Amalgamation	1,165,345	1,165,345
Capital Reserve	124,000,000	124,000,000
Capital Reserve on Consolidation	7,454,693	7,454,693
Securities Premium	350,000,000	350,000,000
General Reserve		
Opening Balance	—	—
Add : Transferred from Statement of Profit and Loss	2,288,636	—
Surplus in Statement of Profit and Loss		
Surplus		
Opening	507,603,487	463,684,348
Add : Profit/(Loss) for the year transferred from Statement of Profit and Loss	71,638,798	75,880,327
Less : Appropriations		
Transferred to General Reserve	2,288,636	—
Proposed Dividend on Equity shares [Dividend per share ₹ 1.20/- (Previous year ₹ 1/-)]	33,000,000	27,500,000
Tax on Dividend	5,353,425	4,461,188
	<u>538,600,224</u>	<u>507,603,487</u>
Total	<u>1,023,508,898</u>	<u>990,223,525</u>



	As at 31st March 2012 ₹	As at 31st March 2011 ₹
NOTE 4		
LONG TERM BORROWINGS		
Secured		
Term Loan	445,882,806	253,078,767
(Secured by all the project assets including land and other structures and equipments of the Company and charge on the entire receivables of the project, pending determination of the commencement of repayment, amount repayable within 12 months has also been considered long term borrowings) (The entire loan is repayable in 9 years & 1 month excluding moratorium period of 8 months in 37 unequal quarterly instalments) (The holding company has given a corporate guarantee in respect of above loan)		
Unsecured		
From Bodies Corporate	1,353,050,000	1,196,586,000
	<u>1,798,932,806</u>	<u>1,449,664,767</u>
Terms of Repayment		
Period (Year)		
2012-13	Nil	
2013-14	Nil	
2014-15	1,353,050,000	
NOTE 5		
DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Assets		
Expenses allowable on payment basis	(1,528,053)	(1,627,285)
Deferred Tax Liabilities		
Depreciation Difference	39,672,857	45,402,883
	<u>38,144,804</u>	<u>43,775,598</u>
NOTE 6		
LONG TERM PROVISIONS		
Provision for Employee benefits		
Provision for leave encashment	3,466,058	3,364,058
Provision for Gratuity	977,287	1,491,746
	<u>4,443,345</u>	<u>4,855,804</u>



	As at 31st March 2012 ₹	As at 31st March 2011 ₹
NOTE 7		
SHORT TERM BORROWINGS		
Secured		
Cash Credit	95,429,469	—
	<u>95,429,469</u>	<u>—</u>

(Secured by hypothecation of entire stocks and other movables of the company including all movable Plants & Machineries, Furniture & 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) (Renewable every year).

NOTE 8		
TRADE PAYABLES	122,451,630	88,749,832
	<u>122,451,630</u>	<u>88,749,832</u>

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

NOTE 9		
OTHER CURRENT LIABILITIES		
Interest accrued and due on borrowings	118,394,581	12,793,880
Unpaid Dividends	420,658	348,690
Other Payables	160,630,663	130,400,620
	<u>279,445,902</u>	<u>143,543,190</u>

NOTE 10		
SHORT TERM PROVISIONS		
Provision for Employee benefits		
Provision for leave encashment	265,000	249,000
Others		
Provision for Income Tax	43,417,992	73,120,940
Provision for Fringe Benefit Tax	1,171,826	1,871,826
Provision for Proposed Dividend	33,000,000	27,500,000
Provision for Dividend Distribution Tax	5,353,425	4,461,188
	<u>83,208,243</u>	<u>107,202,954</u>



**NOTE 11
FIXED ASSETS**

Amount in ₹

Name of the Assets	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	Cost as at 01.04.2011	Additions	Deductions	Cost as at 31.03.2012	As at 01.04.2011	During the year	Deductions/ Adjustments	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
(A) Tangible Assets										
Freehold Land	15,954,522	—	9,465,817	6,488,705	—	—	—	—	6,488,705	15,954,522
Leasehold Land *	—	—	—	—	—	—	—	—	—	—
Office Premises	18,641,250	—	—	18,641,250	4,246,125	719,756	—	4,965,881	13,675,369	14,395,125
Buildings and Roads	172,038,525	4,945,349	—	176,983,874	11,990,810	5,477,168	—	17,467,978	159,515,896	160,047,715
Plant & Machinery	530,977,840	6,770,394	—	537,748,234	164,004,544	24,804,817	—	188,809,361	348,938,873	366,973,296
Hydraulic Works	303,667,501	—	—	303,667,501	78,172,079	13,065,402	—	91,237,481	212,430,020	225,495,422
Transmission Lines, Transformers, Cable Network, etc**	69,102,495	—	—	69,102,495	25,141,246	3,396,977	—	28,538,223	40,564,272	43,961,249
Office Equipment	7,500,206	192,511	—	7,692,717	4,369,727	955,765	—	5,325,492	2,367,225	3,130,479
Furniture and Fixtures	15,942,718	122,281	—	16,064,999	4,531,239	2,303,829	—	6,835,068	9,229,931	11,411,479
Motor Vehicle	19,840,058	1,075,986	36,220	20,879,824	14,725,500	1,356,991	35,020	16,047,471	4,832,353	5,114,558
Windmill ***	184,767,000	—	—	184,767,000	29,297,263	9,771,825	—	39,069,088	145,697,912	155,469,737
Total (A)	1,338,432,115	13,106,115	9,502,037	1,342,036,599	336,478,533	61,852,530	35,020	398,296,043	943,740,556	1,001,953,582
(B) Intangible Assets										
Goodwill	141,448	—	—	141,448	97,786	28,290	—	126,076	15,372	43,662
Computer Software	1,478,779	861,700	—	2,340,479	727,713	522,313	—	1,250,026	1,090,453	751,066
Tenancy Rights	1,500,000	—	—	1,500,000	1,286,303	213,697	—	1,500,000	—	213,697
Total (B)	3,120,227	861,700	—	3,981,927	2,111,802	764,300	—	2,876,102	1,105,825	1,008,425
TOTAL (A+B)	1,341,552,342	13,968,221	9,502,037	1,346,018,526	338,590,335	62,616,830	35,020	401,172,145	944,846,381	1,002,962,007
Previous Year	1,099,291,402	242,260,940	—	1,341,552,342	279,504,912	59,085,423	—	338,590,335	1,002,962,007	—

Note : * 7.21 acres of Land has been taken on lease for 40 years w.e.f. 14th July, 1999 at an annual lease rent of ₹ 72,100/-.

** 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.

*** Windmill includes Leasehold Land of ₹ 3,600,000/- (Previous Year - ₹ 3,600,000/-).



NOTE 12

NON CURRENT INVESTMENTS

(Long Term Investments at cost, unless otherwise stated)

Investment in Equity Instrument (unquoted)

EDCL Infrastructure Ltd. 170,000 Equity Shares of ₹ 10/- each fully paid-up

Investment in Shares (Quoted)

Investment in PMS (Unquoted)

	As at 31st March 2012 ₹	As at 31st March 2011 ₹
	1,700,000	1,700,000
	—	89,004
	<u>228,542</u>	<u>228,542</u>
	<u>1,928,542</u>	<u>2,017,546</u>

NOTE 13

LONG TERM LOANS AND ADVANCES

(Unsecured - Considered Good)

Capital Advances

Security Deposits

	201,635,710	206,448,517
	3,543,298	1,458,712
	<u>205,179,008</u>	<u>207,907,229</u>

NOTE 14

INVENTORIES

(As taken, valued and certified by the management)

Contract work-in-progress

Stores, Spares and Consumables

	42,851,607	16,612,471
	15,572,913	15,311,564
	<u>58,424,520</u>	<u>31,924,035</u>

NOTE 15

TRADE RECEIVABLES

(Unsecured - Considered Good unless otherwise stated)

Outstanding for a period of more than six months

Less : Provision for bad & doubtful debt (Refer Note 26)

Other Debts

	133,232,249	28,979,223
	21,641,427	—
	<u>111,590,822</u>	<u>28,979,223</u>
	<u>101,474,668</u>	<u>91,391,835</u>
	<u>213,065,490</u>	<u>120,371,058</u>

NOTE 16

CASH AND BANK BALANCES

Cash on hand

Balance with Banks

- on Current Accounts

- on Cash Credit Account

- on Unpaid Dividend Account

- on Margin Money Accounts

	166,402	842,886
	10,580,848	92,721,541
	—	1,794,903
	420,658	348,458
	<u>46,497,619</u>	<u>35,963,863</u>
	<u>57,665,527</u>	<u>131,671,651</u>



	As at 31st March 2012 ₹	As at 31st March 2011 ₹
NOTE 17		
SHORT TERM LOANS AND ADVANCES (Unsecured - Considered Good)		
Advance (recoverable in cash or in kind or for value to be received)	33,086,923	88,819,316
Security Deposits	614,896	620,196
Advance Income Tax including Tax deducted at Source	47,197,411	72,778,264
Advance Fringe Benefit Tax	1,113,570	1,863,570
	<u>82,012,800</u>	<u>164,081,346</u>
NOTE 18		
OTHER CURRENT ASSETS		
Interest Receivable	35,995	53,151
	<u>35,995</u>	<u>53,151</u>
NOTE 19		
REVENUE FROM OPERATIONS		
Sale of Products	566,956,213	488,265,204
Sale of Services	92,672,721	35,737,200
	<u>659,628,934</u>	<u>524,002,404</u>
Less : Service Tax	9,494,370	3,337,200
	<u>650,134,564</u>	<u>520,665,204</u>
NOTE 20		
OTHER INCOME		
Net Gain on Sale of Long Term Investments	20,996	41,524,213
Profit on Sale of Fixed Assets	8,800	—
Interest Received	97,402,208	5,950,933
Dividend on Investments	—	63,873
Liability no longer required written back	886,270	210,262
Miscellaneous Income	103,728	299,143
	<u>98,422,002</u>	<u>48,048,424</u>
NOTE 21		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening stock of Contract Work-in-Progress	16,612,471	5,967,818
Less : Closing stock of Contract Work-in-Progress	42,851,607	16,612,471
	<u>(26,239,136)</u>	<u>(10,644,653)</u>



	Year ended 31st March 2012 ₹	Year ended 31st March 2011 ₹
NOTE 22		
EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	40,814,133	32,146,840
Contribution to Provident and other Funds	443,213	432,193
Staff welfare expenses	3,197,061	2,375,150
	<u>44,454,407</u>	<u>34,954,183</u>
NOTE 23		
FINANCE COSTS		
Interest Paid		
On Cash-Credit	2,857,978	3,457,409
On Others	104,913,593	14,946,656
Other borrowing cost	7,637,158	1,667,049
	<u>115,408,729</u>	<u>20,071,114</u>
NOTE 24		
OTHER EXPENSES		
Payment to Auditors :		
- As Auditors	520,000	520,000
- For Taxation matters	65,000	45,000
- Other Services	50,500	85,500
Cost of Power Purchased	1,729,346	4,090,558
Stores and Spares consumed	1,542,639	1,647,213
Contract, Consultancy and Service Charges	54,135,574	31,499,003
Rent	9,081,116	8,333,419
Repairs & Maintenance :		
- Plant & Machinery	8,432,919	9,321,589
- Others	3,871,980	2,035,308
Rates & Taxes	7,792,778	3,063,716
Travelling & Conveyance Expenses	9,903,576	10,762,692
Insurance	1,283,944	1,187,972
Legal & Professional charges	8,087,802	9,933,843
Security Services	2,154,318	1,966,621
Telephone, Fax, Postal etc.	1,915,074	2,000,682
Discount & Rebate	937,178	959,523
Board Meeting Fees	52,000	65,000
Miscellaneous Expenses	11,556,357	7,275,306
	<u>123,112,101</u>	<u>94,792,945</u>



NOTE 25
COMMITMENT

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 263,445,697/- (Previous year ₹ 579,439,112/-).
- b) The company has given guarantee in respect of loan taken by one of its subsidiary (Outstanding balance as on 31.03.2012 ₹ 445,882,806/-).

NOTE 26

Certain debtors aggregating to ₹ 43,282,853/- are recoverable for a considerable period. In view of the persuasive and other steps being taken, these balances have been considered to be fully recoverable, however in accordance with the prudent accounting policy, a provision for bad and doubtful debts have been made in the accounts to the extent of 50% of the outstanding, as on 31st March, 2012 as disclosed in Note 15. Further in respect of one of the subsidiaries, the Power Purchase Agreement (PPA) with the Kerala State Electricity Board (KSEB) is yet to be signed. Pending the same sundry debtors includes ₹ 32,650,129/- (Previous Year ₹ 22,280,642/-) being withheld by KSEB.

NOTE 27

CAPITAL WORK IN PROGRESS INCLUDES

- (i) Machinery in stock, inventory of construction/erection materials etc.
- (ii) The power plant of the Company continues to be under construction. Pending outcome of the steps taken for completion of the project, the cost of machineries and equipments, advances there against and expenditure incurred during construction period have been carried forward under capital work in progress Adjustment, in the value of assets including impairment thereof and pre-operative expenditure as may be required will be carried out on completion of the project.
- (iii) Pre-operative expenditure incurred during implementation of project is given below :

Amount in ₹

Particulars	As at 31.03.2012	As at 31.03.2011
Balance brought forward	391,680,835	182,354,296
Salaries and allowances	2,281,158	8,553,998
Staff welfare expenses	—	809,989
R & D Cess	17,980,741	4,610,075
Rent	12,770,273	6,489,008
Rates and Taxes	26,293,076	449,962
Insurance	422,848	37,431,881
Legal and Professional charges	361,812,161	18,728,098
Travelling and Conveyance expenses	14,117,348	108,549,678
Interest on Term Loan	208,408,801	18,450,164
Miscellaneous expenses	9,931,123	46,767
Project Development Expenses	32,387,297	—
Transportation Charges	13,999	—
Electricity & Gas Expenses	15,013	—
Service Charges	60,000,000	24,053,054
Less : Transferred to Fixed Assets	—	18,846,432
Balance Carried to Balance Sheet	1,138,114,673	391,680,835



NOTE 28

SEGMENT REPORTING

Segments have been identified in line with the Accounting Standards AS-17 taking into account the organization structure as well as the differencing risk and return. The Company's business segment comprises of (1) generation and sale of electricity (SOE) and (2) sale of project materials, consultancy and service charges (Contract Division). These have been identified by the type of their respective sales and services rendered.

Particulars	Sale of Electricity		Contract Division		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Revenue:						
External sales *	223,018,013	184,687,197	427,116,551	335,978,007	650,134,564	520,665,204
Result :						
Segments	127,284,045	92,386,016	12,246,858	6,135,937	139,530,903	98,521,953
Less-Interest and Finance Charges					115,408,729	20,071,114
Less : Other common expenses (net)					(66,400,489)	(6,296,014)
Total Profit Before Tax					90,522,663	84,746,853
Provisions For Tax					18,883,865	8,866,526
Profit After Tax					71,638,798	75,880,327
Segments Assets	2,245,439,973	2,662,587,936	301,741,540	184,784,828	2,547,181,513	2,847,372,764
Unallocable Corporate Assets					1,508,383,584	255,642,906
TOTAL					4,055,565,097	3,103,015,670
Segments Liabilities	1,337,169,323	830,476,129	219,115,107	157,019,868	1,556,284,430	987,495,997
Unallocable Corporate Liabilities					2,499,280,667	2,115,519,673
TOTAL					4,055,565,097	3,103,015,670

* Sales/Income from operations includes ₹ 83,178,351/-(Previous Year ₹ 32,400,000/-) net of Service tax on account of income from consultancy and other services.

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.

As the company operates entirely in India no secondary segment has been identified for the above purpose.

**NOTE 29****STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES :**

Amount in ₹

Sr. No.	Name of the Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Investment Other than Investment in Subsidiary	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1.	Ayyappa Hydro Power Limited	200,000,000	(1,266,826)	1,065,053,712	866,320,538	—	—	(244,388)	—	(244,388)	—
2.	EDCL Power Projects Ltd.	37,500,000	9,538,683	396,726,907	349,688,224	1,700,000	56,532,405	(14,651,138)	(1,285,370)	(13,365,768)	—
3.	EDCL Arunachal Hydro Project Pvt. Ltd.	100,000	(212,945)	7,899,394	8,012,339	—	—	(26,500)	—	(26,500)	—
4.	EDCL Seppa Beyong Hydro Electric Pvt. Ltd.	49,500,000	37,186,005	139,115,558	52,429,553	—	—	(227,500)	—	(227,500)	—
5.	EDCL Seppa Dunkho Hydro Electric Pvt. Ltd.	49,500,000	37,186,005	200,930,872	114,244,867	—	—	(227,500)	—	(227,500)	—
6.	EDCL Seppa Jung Power Pvt. Ltd.	44,500,000	17,186,055	68,131,661	6,445,606	—	—	(227,500)	—	(227,500)	—
7.	EDCL Seppa Kawa Power Pvt. Ltd.	49,500,000	37,186,005	116,760,807	30,074,802	—	—	(227,500)	—	(227,500)	—
8.	EDCL Seppa Lada Hydro Electric Pvt. Ltd.	49,500,000	37,186,005	134,196,333	47,510,328	—	—	(227,500)	—	(227,500)	—
9.	EDCL Seppa Marjingla Hydro Electric Pvt. Ltd.	49,500,000	37,186,005	201,202,153	114,516,148	—	—	(227,500)	—	(227,500)	—
10.	EDCL Seppa Nire Hydro Electric Pvt. Ltd.	24,000,000	15,185,955	44,170,551	4,984,596	—	—	(227,500)	—	(227,500)	—
11.	EDCL Seppa Pachuk Power Pvt. Ltd.	49,500,000	37,186,005	273,106,422	186,420,417	—	—	(227,500)	—	(227,500)	—
12.	EDCL Seppa Rieng Power Pvt. Ltd.	41,500,000	5,186,055	53,937,359	7,251,304	—	—	(227,500)	—	(227,500)	—
13.	EDCL Tawang Lower Tsachu Hydro Electric Pvt. Ltd.	40,250,000	185,955	87,642,941	47,206,986	—	—	(227,500)	—	(227,500)	—
14.	EDCL Tawang Power Pvt. Ltd.	40,250,000	182,160	90,757,534	50,325,374	—	—	(225,000)	—	(225,000)	—
15.	EDCL Tawang Upper Tsachu Hydro Electric Pvt. Ltd.	30,250,000	186,005	37,045,513	6,609,508	—	—	(227,500)	—	(227,500)	—
16.	Eastern Ramganga Valley Hydel Projects Co. Pvt. Ltd.	100,000	(65,880)	97,611,464	97,577,344	—	—	(20,000)	—	(20,000)	—
17.	Sarju Valley Hydel Projects Co. Pvt. Ltd.	100,000	(65,880)	58,187,998	58,153,878	—	—	(20,000)	—	(20,000)	—

NOTE 30**EARNINGS PER SHARE (EPS) :**

Particulars	2011-12 (₹)	2010-11 (₹)
Basic and Diluted Earnings per share has been computed as under :		
(a) Profit after tax	71,638,798	75,880,327
(b) Weighted Average Number of Equity Shares issued (Nos.)	27,500,000	27,500,000
(c) Basic and Diluted Earnings per share (Face value ₹ 10/- per share)	2.61	2.76

NOTE 31**COMPARATIVES**

The previous year's figures have been regrouped and rearranged wherever considered necessary.

As per our Report of even date
For **Lodha and Co.**
Chartered Accountants
Sd/- **H S Jha**
Partner

Place : Kolkata
Date : 25th May, 2012

For and on behalf of the Board of Directors
Sd/- **Amar Singh**, Non Executive Chairman
Sd/- **Sanjiv Saraf**, Executive Director
Sd/- **Sanjay Kumar Gupta**, Director &
Chairman, Audit Committee
Sd/- **Tarun Chaturvedi**, Director
Sd/- **Indranil Banerjee**, Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	For the year ended 31.03.2012		For the year ended 31.03.2011	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
A) Cash Flow From Operating Activities :				
Profit/ (Loss) before taxation		112,164,090		84,746,853
Adjustments for :				
Depreciation	62,616,830		59,085,423	
Amortisation of Stores, Spares & Tools	309,911		424,528	
Interest & Finance Charges	115,408,729		20,071,114	
(Profit)/Loss on Sale of Fixed Assets(Net)	(8,800)		—	
(Profit)/Loss on Sale of Investments (Net)	(20,996)		(41,524,214)	
Interest Received	(97,402,208)		(5,950,933)	
Irrevocable Balances Written-Off	342,562		1,037	
Liability no longer required written back	(886,270)		(210,262)	
Dividend on current investments	—	80,359,758	(63,873)	31,832,820
Operating Profit before Working Capital Changes		192,523,848		116,579,673
Adjustments for :				
(Increase)/Decrease in Inventory		(26,810,396)		(10,571,596)
(Increase)/Decrease in Trade and Other receivables		(56,212,507)		175,368,404
Increase/(Decrease) in Trade and Other payables		64,493,620		(116,967,020)
Cash generated from operations		173,994,565		164,409,460
Direct Taxes paid (Net of refund)		(28,586,754)		(18,410,349)
Net Cash Flow from Operating Activities		145,407,811		145,999,112
B) Cash Flow from Investing Activities				
Purchase of Fixed Assets		(13,968,221)		(242,260,940)
Sale of Fixed Assets		9,475,817		—
Capital Work In Progress		(1,050,379,187)		(576,706,942)
Purchase of Investments		—		(200,000)
Sale of Investments		110,000		45,131,552
Interest Received		97,419,364		5,941,922
Dividend Received		—		63,873
Net Cash Flow from Investing Activities		(957,342,227)		(768,030,535)
C) Cash Flow from Financing Activities				
Proceeds from / (repayments) of borrowings		444,697,508		690,749,024
Interest & Finance Charges		(9,808,028)		(20,071,114)
Proceeds from allotment of Cumulative Redeemable Preference Share Capital		335,000,000		—
Dividend Paid		(27,500,000)		(27,500,000)
Dividend Distribution Tax Paid		(4,461,188)		(4,673,625)
Net Cash flow from Financing Activities		737,928,293		638,504,285
Net Increase/(Decrease) in Cash & Cash Equivalents		(74,006,124)		16,472,862
Cash and Cash equivalents at the beginning of the year		131,671,651		115,153,327
Adjustment due to acquisition of two subsidiaries		—		45,462
Cash and Cash equivalents at the end of the year		57,665,527		131,671,651

Notes :

- 1) Cash and Bank Balances as on 31.03.2012 includes ₹ 46,497,619/- (Previous Year ₹ 35,675,000/-) as Margin Money Accounts.
- 2) Cash Flow Statement is prepared by the indirect method as set out in Accounting Standard - 3 on Cash Flow Statement.
- 3) Cash & Cash Equivalents presented in the statement consists of cash on hand and demand deposits with bank as on the balance sheet date.

As per our Report of even date
For **Lodha and Co.**
Chartered Accountants
Sd/- **H S Jha**
Partner

Place : Kolkata
Date : 25th May, 2012

For and on behalf of the Board of Directors
Sd/- **Amar Singh**, Non Executive Chairman
Sd/- **Sanjiv Saraf**, Executive Director
Sd/- **Sanjay Kumar Gupta**, Director &
Chairman, Audit Committee
Sd/- **Tarun Chaturvedi**, Director
Sd/- **Indranil Banerjee**, Company Secretary

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ENERGY DEVELOPMENT COMPANY LIMITED

Registered Office :

Harangi Hydro Electric Project, Vill. Hulugunda, Taluka – Somawarpet
District – Kodagu, Karnataka - 571 233

PROXY

Folio No. DPID No. Client ID No.

I/We

of being a member/members of the
above named Company, hereby appoint

of

..... or failing

him/her.....

of.....

..... as my/our Proxy to attend and vote for me/us

on my/our behalf at the 17th Annual General Meeting of the Company to be held at the Registered Office of the Company at Harangi Hydro Electric Project, Vill. Hulugunda, Taluka -Somawarpet, District - Kodagu, Karnataka-571 233 on Saturday, the 8th day of September, 2012 at 2:00 P.M. and at any adjournment thereof.

In witness whereof I/We have signed on thisday of2012.

Signed by the said

Affix.
Revenue
Stamp of
Re. 1/-

Note : *The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 (Forty-eight) hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.*

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ENERGY DEVELOPMENT COMPANY LIMITED

Registered Office :

Harangi Hydro Electric Project, Vill. Hulugunda, Taluka – Somawarpet
District – Kodagu, Karnataka - 571 233

ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall)

Member's Folio No./Client ID : DP ID No. : No. of Share(s) held :

I/We hereby record my/our presence at the 17th Annual General Meeting of **Energy Development Company Limited** being held at Harangi Hydro Electric Project, Vill. Hulugunda, Taluka -Somawarpet, District - Kodagu, Karnataka-571 233 on Saturday, the 8th day of September, 2012 at 2:00 P.M. and at any adjournment thereof.

Signature of Shareholder(s) or Proxy

BOOK-POST

If undelivered, please return to :

Energy Development Company Limited

'EDCL House', 1A Elgin Road, Kolkata - 700 020

