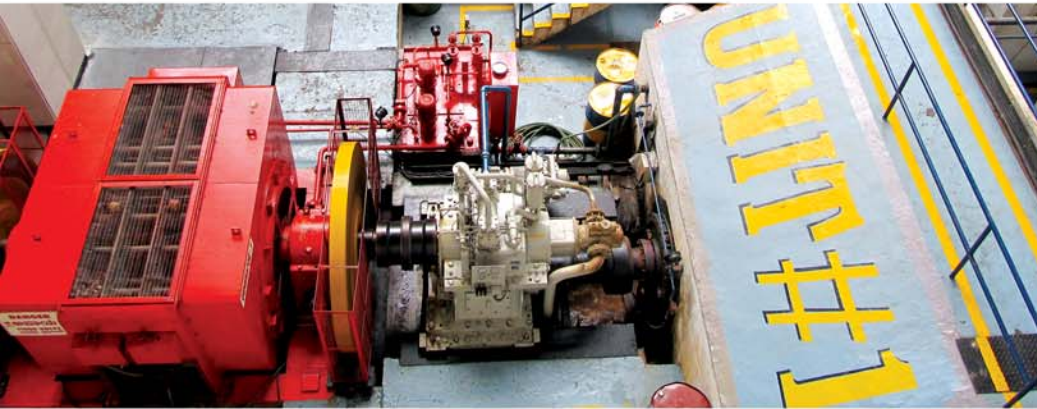




# Energy Development Company Limited



Annual Report & Accounts  
2012-2013

**18TH**  
**ANNUAL REPORT & ACCOUNTS**  
**2012 - 2013**



**ENERGY DEVELOPMENT**  
**COMPANY LIMITED**

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Annual General Meeting on Thursday,  
the 12th day of September, 2013 at  
11:45 A.M. at Harangi Hydro Electric  
Project, Vill. - Hulugunda, Taluka -  
Somawarpet, District - Kodagu,  
Karnataka - 571 233.

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Chairman

Mr. Amar Singh  
(Non-Executive)

#### Executive Director

Mr. Sanjiv Saraf

#### 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 EIGHTEENTH ANNUAL GENERAL MEETING of the members of the Company will be held at its Registered Office at Harangi Hydroelectric Project, Village - Hulugunda, Taluka - Somawarpet, District - Kodagu, Karnataka - 571 233, on Thursday, the 12th day of September, 2013 at 11:45 A.M. to transact the following business:-

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 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. Vijoy Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Tarun Chaturvedi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint 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.

By Order of the Board  
For Energy Development Company Limited

Sd/-

**Indranil Banerjee**  
(Company Secretary)

Place : Kolkata  
Date : 12.08.2013

### Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON 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, shall 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 7th September, 2013 till 12th September, 2013 (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 12th September, 2013.
5. Pursuant to the provisions of Section 205C of the Companies Act, 1956, the amounts of dividend remaining unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company are required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government and thereafter no payments shall be made by the Company or by the IEPF in respect of such amounts. Therefore, the amount of unclaimed dividend upto the financial year ended 31.03.2006 would be transferred to the IEPF on or after 07.10.2013 and within 05.11.2013. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31.03.2006 and/or subsequent years are requested to submit their claims to the Registrar and Transfer Agent of the Company without any delay.



6. 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.
7. Details of Directors proposed to be re-appointed, as required under clause 49 of the Listing Agreement with the Stock Exchanges are annexed herewith.
8. Please intimate any change in your address, email-id, name, bank details etc. to the Registrar and Transfer Agent of the Company.
9. 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.....".

10. 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](http://www.edclgroup.com).

By Order of the Board  
For **Energy Development Company Limited**

Sd/-

**Indranil Banerjee**  
(Company Secretary)

Place : Kolkata  
Date : 12.08.2013



## ANNEXURE TO THE NOTICE OF 18TH ANNUAL GENERAL MEETING

### PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT

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

<b>Mr. Vijoy Kumar</b>	Independent, Non-Executive Director
Date of birth	19.12.1943
Qualification	B.Sc.; B.E. (Electrical)
Expertise and experience in specific functional areas	He is having vast experience of more than 47 years in electrical engineering and hydro electric projects. Mr. Kumar has hold various important positions viz. Former Chairman, UP Electricity Regulatory Commission, Secretary, CEA, New Delhi, Member Secretary, Western Regional Electricity Board (WREB), Northern Regional Electricity Board (NREB), North Eastern Regional Electricity Board (NEREB), Chief Engineer, Distribution, Planning & Development, CEA and Power Department, Gangtok, Government of Sikkim and Ex-Director of North Eastern Electric Power Company, Shillong.
Directorship held in other Companies	Roto Pumps Limited, KLG Systels Limited and Lanco Mandakini Hydro Energy Private Limited.
Membership in Board Committees	Member, Audit Committee.
Numbers of Share /Warrants held in the Company as on 31.03.2013	Nil

<b>Mr. Tarun Chaturvedi</b>	Independent, Non - Executive Director
Date of birth	10.12.1971
Qualification	B. Com (Hons); FCA.
Expertise and experience in specific functional areas	He is practicing as a Chartered Accountant for over 17 years. He has vast knowledge, experience and expertise in the field of Accounts, Taxation and Legal services. He has authored various books on Taxation, Tax Audit and TDS.
Directorship held in other Companies	Tantia Agrochemicals Private Limited, Nutriindia Foods Private Limited, EDCL - Seppa Rieng Power Private Limited, EDCL - Seppa Nire Hydro Electric Private Limited, EDCL - Seppa Marjingla Hydro Electric Private Limited, EDCL - Seppa Jung Power Private Limited, EDCL - Seppa Kawa Power Private Limited, EDCL - Seppa Beyond Hydro Electric Private Limited, EDCL - Seppa Lada Hydro Electric Private Limited, EDCL - Seppa Dunkho Hydro Electric Private Limited, Ayyappa Hydro Power Limited, EDCL - Seppa Pachuk Power Private Limited.
Membership in Board Committees	Member, Audit Committee.
Numbers of Share /Warrants held in the Company as on 31.03.2013	Nil



## DIRECTORS' REPORT TO THE SHAREHOLDERS

To The Shareholders,

Your Directors have pleasure in presenting EIGHTEENTH ANNUAL REPORT and Audited Statements of Accounts for the year ended 31st March, 2013.

### FINANCIAL HIGHLIGHTS & REVIEW OF OPERATIONS

Your Company's financial performance for the year under review is summarized below :

( ₹ )

Particulars	Consolidated		Standalone	
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2013	Year ended 31.03.2012
Revenue from operations	513,568,010	650,134,564	487,475,616	602,602,159
Other Income	36,063,823	98,422,002	34,693,429	101,660,233
<b>Total Revenue</b>	<b>549,631,833</b>	<b>748,556,567</b>	<b>522,169,045</b>	<b>704,262,393</b>
Total expenses other than depreciation & finance cost	402,879,249	480,008,345	395,560,345	469,956,123
<b>Profit before depreciation and finance cost</b>	<b>146,752,584</b>	<b>268,548,222</b>	<b>126,608,700</b>	<b>234,306,270</b>
Depreciation	65,477,143	62,616,830	48,551,370	45,356,595
<b>Profit before finance cost and tax</b>	<b>81,275,441</b>	<b>205,931,392</b>	<b>78,057,330</b>	<b>188,949,675</b>
Finance cost	105,877,929	115,408,729	67,415,355	77,235,012
<b>Profit before tax</b>	<b>(24,602,488)</b>	<b>90,522,663</b>	<b>10,641,975</b>	<b>111,714,663</b>
Tax expenses	(53,879,980)	18,883,865	(52,684,264)	20,169,235
<b>Net profit for the period</b>	<b>29,277,492</b>	<b>71,638,798</b>	<b>63,326,239</b>	<b>91,545,428</b>
<b>Earnings per equity share of ₹ 10 each [Basic &amp; Diluted]</b>	<b>1.06</b>	<b>2.61</b>	<b>2.30</b>	<b>3.33</b>

### APPROPRIATION

Your Directors recommend appropriation as under :

( ₹ )

STANDALONE	Year ended 31.03.2013	Year ended 31.03.2012
Surplus as at end of previous year	551,346,995	498,154,992
Add: Net profit for the year	63,326,239	91,545,428
<b>Available for appropriation</b>	<b>614,673,234</b>	<b>589,700,420</b>
Less : Proposed dividend	22,000,000	33,000,000
Less : Tax on dividend	3,738,900	5,353,425
Less : Transfer to General Reserve	–	2,288,636
<b>Total Appropriation</b>	<b>25,738,900</b>	<b>406,420,061</b>
<b>Surplus carried forward</b>	<b>588,934,334</b>	<b>549,058,359</b>

**DIVIDEND**

Your Directors recommend payment of dividend @ 8% on the paid up share capital of the Company, i.e. ₹ 0.80/- per equity share of ₹ 10/- each.

The Company has been paying dividend consistently @10% since 2005-06 and in the previous financial year it has paid dividend @12%. Due to poor rainfall, generation of electricity was low as compared to the previous financial year. This caused an impact on the profitability of the Company in the current financial year. However, in order to maintain average dividend rate of 10%, your Directors recommend payment of dividend @8% in the current financial year.

**OPERATIONS**

The Company is primarily engaged in power generation, infrastructure development, such as construction of bridges, hydro projects including operation and maintenance thereof, supply of materials etc. In order to avoid duplication between the Directors' report and Management Discussion and Analysis, your Directors have provided detail 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 power projects in the States of Arunachal Pradesh, Uttarakhand and Kerala, through its various wholly owned subsidiaries viz :

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

Besides these, the Company is also having two more wholly owned subsidiaries viz. EDCL - Arunachal Projects Private Limited and Arunachal Hydro Power Limited.

The Company is executing 12 hydro electric projects in the State of Arunachal Pradesh having an aggregate capacity of 555 MW (approx), which may vary on finalization of Detailed Project Report (DPR). The total expenses for these projects in the State of Arunachal Pradesh as on 31.03.2013 is ₹ 164,87,55,037/-.

3 projects at Uttarakhand are having an aggregate capacity of about 17 MW. DPR for all the 3 projects has been approved. The total expenses for these projects in the State of Uttarakhand as on 31.03.2013 is ₹ 19,64,05,826/- .

In the State of Kerala, a subsidiary is developing 15 MW Karikkayam Hydel Power Project. The total expenses of the project as on 31.03.2013 is ₹ 136,77,45,768/-.





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 tariff is finalised.

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 expressed their inability to ascertain and indicate the impact of delay in implementation of project, by Ayyappa Hydro Power Limited as explained in Note no. 26 (ii) of CFS. Pursuant to Section 217(3) of the Companies Act, 1956 with regard to the aforesaid comments of the Auditors, your Board wishes to draw your kind attention to the explanation given in Note no. 26 (ii) of the CFS and also inform that the pre-operative and other costs incurred for the project has been carried as capital work in progress as on date and any impact thereon due to cost overrun will be ascertained only 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, 2013. 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 requirements 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) as required under clause 49(V) of the Listing Agreement are also attached with 'Annexure B'.

#### **DIRECTORS**

Mr. Vijoy Kumar and Mr. Tarun Chaturvedi, Directors, retires 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 Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the financial year on 31st March, 2013 and of the Profit or Loss of the company, for the year ended on that date.



- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) the Directors have prepared the annual accounts on a going concern basis.

**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 2012 - 2013, 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, retire at the conclusion of the ensuing Annual General Meeting and being eligible under Section 224(1B) of the Companies Act, 1956, offer themselves for re-appointment. 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**

The Board of Directors has re-appointed M/s. N. Radhakrishnan & Co., Cost Accountant, of 11A, Dover Lane, Flat B1/34, Kolkata - 700029 as the Cost Auditor of your Company to conduct Cost Audit for the Financial Year 2013 - 2014.

**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**

Place : Kolkata

Date : 12th August, 2013

Sd/-  
**Amar Singh**  
Chairman



## ANNEXURE - 'A'

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

FOR THE FINANCIAL YEAR 2012-13

### A. INDUSTRY STRUCTURE AND DEVELOPMENT

India currently has a total power generation capacity of 2,23,344 MW as on 31.03.2013. Major source of such generation are from coal, lignite, natural gas, oil, hydro and nuclear power and renewable sources like wind, solar, agriculture and domestic waste.

India lies in the fifth position in terms of generation of electricity in the world. Out of the total generation State Governments account for 51.50%, Central Sectors account for 33.10% and private sectors account for 15.40%.

Out of the total generation of electricity of 2,23,344 MW, thermal contributed 67.85%, hydro contributed 17.68%, small hydro power, biomass, urban and industrial waste, wind energy and solar power contributed 12.33% and nuclear contributed 2.14%.

India experienced one of the biggest black out in history, which affected nearly 600 million people. This was the lowest point in Indian Power sector during the last year, or perhaps the decade. But Government has initiated plans to tackle India's ageing and unreliable grid infrastructure by encouraging the adoption of new technology including smart grid in the power sector.

Source : <http://www.cea.nic.in>  
<http://www.renewindians.com>

Ministry of New and Renewable Energy has been vested with the responsibility of developing Small Hydro Power (SHP) projects up to 25 MW capacities. The estimated potential for power generation in the country from such plants is over 15,000 MW. Most of the potential is in Himalayan States as river-based projects and in other States on irrigation canals. The SHP programme is now essentially private investment driven. Projects are normally economically viable and private sector is showing lot of interest in investing in SHP projects. The viability of these projects improves with increase in the project capacity. The Ministry's aim is that at least 50% of the potential in the country is harnessed in the next 10 years.

#### Hydro Power Project

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

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

#### Small Hydro Power Programme

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

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

**Potential :** An estimated potential of about 15,000 MW of small hydro power projects exists in India. Ministry of New and Renewable Energy has created a database of potential sites of small hydro and 5,415 potential sites with an aggregate capacity of 14,305.47 MW for projects up to 25 MW capacity have been identified.

Source : <http://www.mnre.gov.in>



## B. SWOT ANALYSIS :

### i) Strengths :

Energy Development Company Limited (EDCL) has wide experience and expertise in execution of hydro power projects which gives it a significant competitive advantage. The team of EDCL is supported by eminent consultants. The Company is in the process of developing several hydro power projects through its wholly owned subsidiaries in remote areas of the country which comes with a range of challenges - logistical, climatic and technological. However, with its strong and efficient team of competent and experienced professionals, all hurdles were overcome. Long term power purchase agreement with the State electricity board confirms the sale of entire generation of electricity.

### ii) Opportunities :

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

### iii) Threats/Weakness :

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

**Time in clearances** - Stringent norms and cumbersome procedures for getting environmental and forest clearances leads to delay in obtaining clearances for projects, which may affect the capacity addition programmes.

**Land acquisition** - The process of land acquisition for infrastructure work as well as for a project's components including submergence, is quite cumbersome and time consuming.

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

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

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

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

### iv) Risks and Concerns :

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

## C. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company has two divisions namely, generating division and contract division. The generating division did not perform well due to poor rainfall during the year under review in comparison to previous year, consequently poor generation of electricity thereof. The Southern India where all the operating plants of the Company are located were worst affected and had received substantial lower rainfall in comparison to the previous financial year. The Company has not participated in any tender for allotment of any new project.

### Generating Division :

During the financial year 2012-13, total revenue generated from this division is ₹ 10,69,08,518/- (Previous year ₹ 166,485,608/). The Company owns and operate 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-II Hydro Electric Power Plant in the State of Karnataka.



## II. Wind Mills

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

### Saleable electricity generated from the :

**Hydro Power Plants :** 23.28 million units (previous year 40.08 million units)

**Wind Mills :** 6.54 million units (previous year 6.81 million units)

The Company also owns and operate 7 MW Ullankal Hydro Electric Power Project, through its subsidiary, EDCL Power Projects Limited and produced 14.38 million units during the year 2012-13 as compared to 23.17 million units in 2011-12.

The Company is also developing and executing various hydro power projects through its several wholly owned subsidiaries, details whereof is 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 under review the division has earned gross revenue of ₹ 38,05,67,098/- (previous year ₹ 436,116,551/-).

## 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 which are at various stages of development. 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 ₹ 1,06,41,975/- (Previous year - ₹ 11,17,14,663/-). The detailed performance is given in the Financial Statements of the Directors Report.

## 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.

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

## CAUTIONARY STATEMENT

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



## ANNEXURE - 'B'

THE REPORT ON **CORPORATE GOVERNANCE** FOR THE YEAR ENDED ON 31.03.2013**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**

Energy Development Company Limited (EDCL) currently has 7 members Board, with 4 independent directors. The independent directors are eminent successful professionals from diverse fields such as 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, 2013, 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.	25.05.2012	7	6
2.	17.07.2012	7	3
3.	14.08.2012	7	5
4.	09.11.2012	7	5
5.	14.02.2013	7	4

**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 their occupation in the Committee positions of other companies. The details of the Directors' attendance record at the Board Meetings and at the last Annual General Meeting, their Directorship and Committee membership in other Companies held during the year under review are given below :-

Sl. No.	Name of Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM held on 08.09.2012	No. of Directorship in the Board of other Companies as on 31.03.2013	No. of Membership held in Committees of Board of other Companies as on 31.03.2013*	No. of Chairmanship held in Committees of Board of other Companies as on 31.03.2013*
1.	Mr. Amar Singh	Promoter & Non-Executive Chairman	5	Yes	2 Private Ltd. Cos.	NIL	NIL
2.	Mrs. Pankaja Kumari Singh	Promoter & Non-Executive Chairman	2	No	4 (including 3 Private Ltd. Cos.)	NIL	NIL
3.	Mr. Sanjiv Saraf	Executive Director	4	Yes	21 (including 17 Private Ltd. Cos.)	NIL	NIL
4.	Mr. Sanjay Kumar Gupta	Independent, Non-Executive Director	3	Yes	6 (including 3 Private Ltd. Cos.)	NIL	NIL



Sl. No.	Name of Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM held on 08.09.2012	No. of Directorship in the Board of other Companies as on 31.03.2013	No. of Membership held in Committees of Board of other Companies as on 31.03.2013*	No. of Chairmanship held in Committees of Board of other Companies as on 31.03.2013*
5.	Mrs. Gouri Prasad Goenka	Independent, Non-Executive Director	1	No	6	1	NIL
6.	Mr. Tarun Chaturvedi	Independent, Non-Executive Director	5	Yes	2 Private Ltd. Cos.	NIL	NIL
7.	Mr. Vijoy Kumar	Independent, Non-Executive Director	4	Yes	3 (including 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

<b>Mr. Vijoy Kumar</b>	Independent, Non-Executive Director
Date of birth	19.12.1943
Qualification	B.Sc.; B.E. (Electrical)
Expertise and experience in specific functional areas	He is having vast experience of more than 47 years in electrical engineering and hydro electric projects. Mr. Kumar has hold various important positions viz. Former Chairman, UP Electricity Regulatory Commission, Secretary, CEA, New Delhi, Member Secretary, Western Regional Electricity Board (WREB), Northern Regional Electricity Board (NREB), North Eastern Regional Electricity Board (NEREB), Chief Engineer, Distribution, Planning & Development, CEA and Power Department, Gangtok, Government of Sikkim and Ex-Director of North Eastern Electric Power Company, Shillong.
Directorship held in other Companies	Roto Pumps Limited, KLG Systels Limited and Lanco Mandakini Hydro Energy Private Limited.
Membership in Board Committees	Member, Audit Committee.
Numbers of Share /Warrants held in the Company as on 31.03.2013	Nil

<b>Mr. Tarun Chaturvedi</b>	Independent, Non - Executive Director
Date of birth	10.12.1971
Qualification	B. Com (Hons); FCA.
Expertise and experience in specific functional areas	He is practicing as a Chartered Accountant for over 17 years. He has vast knowledge, experience and expertise in the field of Accounts, Taxation, and Legal services. He has authored various books on Taxation, Tax Audit and TDS.
Directorship held in other Companies	Tantia Agrochemicals Private Limited, Nutriindia Foods Private Limited, EDCL - Seppa Rieng Power Private Limited, EDCL - Seppa Nire Hydro Electric Private Limited, EDCL - Seppa Marjingla Hydro Electric Private Limited, EDCL - Seppa Jung Power Private Limited, EDCL - Seppa Kawa Power Private Limited, EDCL - Seppa Beyong Hydro Electric Private Limited, EDCL - Seppa Lada Hydro Electric Private Limited, EDCL - Seppa Dunkho Hydro Electric Private Limited, Ayyappa Hydro Power Limited, EDCL - Seppa Pachuk Power Private Limited.
Membership in Board Committees	Member, Audit Committee.
Numbers of Share /Warrants held in the Company as on 31.03.2013	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 meetings 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 meetings 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. The code is posted on your Company's website [www.edclgroup.com](http://www.edclgroup.com). 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	Number of Shares held
Mr. Amar Singh	1,40,000	NIL	NIL	1,40,000	14,58,453
Mrs. Pankaja Kumari Singh	80,000	NIL	NIL	80,000	4,68,938
Mr. Gouri Prasad Goenka	20,000	NIL	NIL	20,000	NIL
Mr. Sanjiv Saraf	NIL	48,20,000	NIL	48,20,000	10,000
Mr. Sanjay Kumar Gupta	1,00,000	NIL	NIL	1,00,000	6,000
Mr. Tarun Chaturvedi	1,40,000	NIL	NIL	1,40,000	NIL
Mr. Vijoy Kumar	1,10,000	NIL	NIL	1,10,000	NIL

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

# includes house rent payment.

The terms of employment of the Executive Director stipulates a termination notice of 180 days from 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.

The Company does not have any Convertible Warrant as on 31st March, 2013.

### COMMITTEES OF THE BOARD

#### A. Audit Committee

The Audit Committee, constituted by the Board of Directors at its meeting held on 02.03.2001, in accordance with Section 292A of the Companies Act, 1956 and clause 49 of the listing agreement with the stock exchanges, was last reconstituted on 07.11.2011. Mr. Sanjay Kumar Gupta, FCS the Chairman of the Audit committee, is knowledgeable in all areas of finance, accounts, company law and has vast experience in corporate affairs. All the members of the Committee are eminent professionals and draw upon their experience and expertise across a wide spectrum of functional areas such as finance, information systems, engineering and corporate strategy. The Committee met four times during the year, viz. 25.05.2012, 09.08.2012, 09.11.2012 and 12.02.2013.

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	4
Mr. Sanjiv Saraf	Member; Executive Director.	3
Mr. Vijoy Kumar	Member; Independent, Non-Executive	3
Mr. Tarun Chaturvedi	Member; Independent, Non-Executive	4

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 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. 24.05.2012, 14.08.2012, 09.11.2012 and 12.02.2013.

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	4
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 01.04.2012 to 31.03.2013			
Pending as on 01.04.2012	Received	Redressed	Pending as on 31.03.2013
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
3. EDCL – Arunachal Projects Private Limited
4. EDCL – Seppa Beyond 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 Rieng 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
18. Arunachal Hydro Power 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
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
2012	Harangi Hydroelectric Project, Vill. - Hulugunda, Taluka - Somawarpet, Dist. - Kodagu, Karnataka - 571 233	08.09.2012 at 2:00 P.M.	—

2. **Location, date and time of the Extra Ordinary General Meeting :** No Extra-ordinary General Meeting was held during the year 2012-13.
3. **Postal Ballot :** No special resolution through postal ballot has been passed during the year 2012-13.



## 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 financial statements in the Annual Report.

### 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 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 30.06.2012, 30.09.2012, 31.12.2012 and 31.03.2013 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](http://www.edclgroup.com)

The official press releases, if any, 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, inter-alia, dealing with the review of financial statement and Cash Flow Statement for the year ended on 31st March, 2013, 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 Thursday, the 12th day of September, 2013 at Harangi Hydroelectric Project, Village – Hulugunda, Taluka – Somwarpet, Dist. – Kodagu, Karnataka – 571 233 at 11:45 A.M.



- b. **Financial Year** : From 1st April to 31st March.
- c. **Book Closure Period** : 7th September, 2013 to 12th September, 2013 (both days inclusive).
- d. **Dividend Payment date** : The 12th day of September, 2013.
- 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 2013 - 2014 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 2013 - 2014 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, 2013.

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

<u>STOCK EXCHANGE</u>	<u>CODE</u>
Bombay Stock Exchange Ltd.	532219
National Stock Exchange of India Ltd.	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 01.04.2012 to 31.03.2013 are shown below:

MONTH	BSE SHARE PRICE		NSE SHARE PRICE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2012	39.50	30.05	39.25	29.50
May, 2012	32.70	27.05	32.00	26.25
June, 2012	33.40	27.40	36.95	27.50
July, 2012	39.05	27.00	43.00	27.10
August, 2012	30.95	25.90	30.60	26.05
September, 2012	32.10	25.65	32.40	26.15
October, 2012	32.30	24.00	31.45	24.45
November, 2012	26.25	22.05	26.80	22.35
December, 2012	32.45	22.80	33.70	21.00
January, 2013	28.30	21.50	27.40	21.40
February, 2013	24.90	19.15	23.50	19.40
March, 2013	21.95	14.05	21.00	13.85

As on the 28.03.2013 the closing price of the shares of the Company are ₹ 14.85 (in NSE) and ₹ 15.65 (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 31.03.2013 is as under :**

Shareholding Range No. of Shares	Number of Shareholders	% of Shareholders	Number of Shares	% of Shareholding
Upto - 500	7444	87.8763	9,65,531	3.5110
501 - 1,000	528	6.2330	4,25,783	1.5483
1,001 - 5,000	391	4.6157	8,45,056	3.0729
5,001 - 10,000	53	0.6257	3,87,853	1.4104
10,001 - 50,000	41	0.4840	8,31,254	3.0227
50,001 - 1,00,000	4	0.0472	2,54,339	0.9249
1,00,001 and above	10	0.1180	2,37,90,184	86.5098
<b>TOTAL</b>	<b>8471</b>	<b>100.00</b>	<b>2,75,00,000</b>	<b>100.0000</b>

**n. Shareholding as on 31.03.2013 :**

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	82,88,776	30.14
Indian Public	34,46,967	12.53
Others	2,64,782	0.97
<b>TOTAL</b>	<b>2,75,00,000</b>	<b>100.00</b>

**o. Dematerialization of Shares and Liquidity :**

The Shares of the Company has been dematerialised with NSDL and CDSL. As on 31.03.2013 2,53,96,370 shares (92.35%) has been dematerialized with NSDL and 20,60,814 shares (7.49%) with CDSL.

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

During the financial year ended on 31.03.2013 the Company has not issued any GDR / ADR / Warrants or Convertible instruments. Also as on 31.03.2013 there were no GDR/ ADR/ Warrant or convertible instruments were 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, 2013.

Kolkata  
14th May, 2013

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, 2013 - 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 31.03.2013 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 transactions 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.

Kolkata  
14th May, 2013

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 2013, 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 : 14th May, 2013

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 and 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 unit 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 2012-13

Sl. No.	Particulars	Amount (₹)
1.	Travelling Expenses	33,08,438
2.	Purchase for resale-Kumbhee project	5,72,75,786
	<b>Total</b>	<b>6,05,84,224</b>



## 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. Sanjiv Saraf	58	Executive Director	48,20,000	B.Tech; M.Tech.	36	01.08.2002	—	0.036

**Note :**

1. Remuneration includes Salary and House Rent Allowance.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENERGY DEVELOPMENT COMPANY LIMITED

### 1. Report on the Financial Statements

We have audited the accompanying financial statements of ENERGY DEVELOPMENT COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### 5. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report that :

- 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;
- In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
- On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Lodha & Co.

Chartered Accountants

Firm ICAI Registration No.: 301051E

Sd/- H. S. Jha

Partner

Membership No. : 55854

Place : Kolkata

Date : 14th May, 2013



## Annexure to Auditor's Report

Annexure referred to in paragraph 5 of our report of even date.

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) Fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its 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 no material discrepancies were noticed on the physical verification of inventory 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 ₹ 680,851,633 and the year-end balance of such loans was ₹ 423,646,413.  
(b) In our opinion, the rate of interest and other terms and conditions of 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 is repayable after twelve months and interest in respect of loan granted as mentioned in (a) above are repayable as at the year-end.  
(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 two companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was ₹ 696,500,000 and the year-end balance was ₹ 534,000,000.  
(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 accounts and 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 information and explanations given to us and the records of the Company examined by us, as at 31st March, 2013, there are no amount outstanding in respect of wealth tax, custom duty, excise duty and cess which have not been deposited on account of dispute other than income tax dues, in respect of which amounts involved and forums at which dispute is pending are as follows:

Statute	Nature of Tax	Forum where Dispute is Pending	Amount (₹)	Period to which amount relates
Income Tax Act, 1961	Income Tax	CIT (Appeals)	30,224,140	2010-11

- 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 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.

For **Lodha & Co.**

Chartered Accountants

Firm ICAI Registration No.: 301051E

Sd/- **H. S. Jha**

Partner

Membership No. : 55854

Place : Kolkata

Date : 14th May, 2013



## BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	Amount in ₹	
		As at 31st March 2013	As at 31st March 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	275,000,000	275,000,000
Reserves and Surplus	3	1,064,099,678	1,026,512,339
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	539,450,000	610,450,000
Deferred tax liabilities (Net)	5	22,447,102	42,083,777
Long term provisions	6	5,198,000	4,443,345
<b>Current Liabilities</b>			
Short-term borrowings	7	76,047,548	95,429,469
Trade payables	8	101,667,673	87,922,067
Other current liabilities	9	102,076,840	163,467,707
Short-term provisions	10	60,154,218	82,149,920
<b>Total</b>		<b>2,246,141,059</b>	<b>2,387,458,624</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	11		
- Tangible assets		583,697,733	604,909,913
- Intangible assets		712,989	1,090,128
- Capital work-in-progress		760,000	-
Non-current investments	12	689,478,542	689,478,542
Long term loans and advances	13	452,480,017	642,140,198
<b>Current assets</b>			
Inventories	14	45,387,986	48,233,709
Trade receivables	15	255,027,009	185,069,553
Cash and cash equivalents	16	68,908,697	55,702,804
Short-term loans and advances	17	119,666,546	76,771,301
Other current assets	18	30,021,540	84,062,475
<b>Total</b>		<b>2,246,141,059</b>	<b>2,387,458,624</b>
Significant Accounting Policies	1		

The accompanying notes(1-31) form an integral part of financial statements.

As per our Report of even date

For **Lodha & Co.**

Chartered Accountants

Sd/- **H. S. Jha**

Partner

Place : Kolkata

Date : 14th May, 2013

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

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

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

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

Sd/- **Tarun Chaturvedi**, Director

Sd/- **Vijoy Kumar**, Director

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



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	Amount in ₹	
		Year ended 31st March 2013	Year ended 31st March 2012
Revenue from operations	19	487,475,616	602,602,159
Other Income	20	34,693,429	101,660,233
<b>Total Revenue</b>		<b>522,169,045</b>	<b>704,262,393</b>
<b>Expenses:</b>			
Cost of materials consumed		57,779,668	29,073,289
Purchase of Stock-in-Trade		152,356,359	287,966,257
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	3,429,196	(26,239,136)
Employee benefits expense	22	51,156,730	44,454,407
Finance costs	23	67,415,355	77,235,012
Depreciation and amortization expense	11	48,551,370	45,356,595
Provision for bad & doubtful debts		21,641,426	21,641,427
Other expenses	24	109,196,966	113,059,879
<b>Total Expenses</b>		<b>511,527,070</b>	<b>592,547,730</b>
<b>Profit/(Loss) before tax for the year</b>		<b>10,641,975</b>	<b>111,714,663</b>
<b>Tax Expense :</b>			
- Current tax		12,032,500	26,700,000
- MAT Credit entitlement for earlier years [Refer Note 17]		(45,289,177)	-
- Tax for earlier years		209,088	(2,200,211)
- Deferred tax		(19,636,675)	(4,330,554)
Total Tax Expense		(52,684,264)	20,169,235
<b>Profit/(Loss) after tax for the year</b>		<b>63,326,239</b>	<b>91,545,428</b>
Earnings per equity share of ₹ 10 each fully paid-up			
- Basic & Diluted	29	2.30	3.33

Significant Accounting Policies

1

The accompanying notes(1-31) form an integral part of financial statements.

As per our Report of even date

For **Lodha & Co.**

Chartered Accountants

Sd/- **H. S. Jha**

Partner

Place : Kolkata

Date : 14th May, 2013

For and on behalf of the Board of Directors

Sd/- **Amar Singh**, Non Executive ChairmanSd/- **Sanjiv Saraf**, Executive DirectorSd/- **Sanjay Kumar Gupta**, Director &  
Chairman, Audit CommitteeSd/- **Tarun Chaturvedi**, DirectorSd/- **Vijoy Kumar**, DirectorSd/- **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) Revenue in respect of sale of electricity generated is 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 in progress 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 Generation 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.

### 1.12 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 2013 ₹	As at 31st March 2012 ₹
<b>NOTE 2</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
35,000,000 (35,000,000) Equity shares of ₹ 10/- each	<u>350,000,000</u>	<u>350,000,000</u>
<b>Issued, Subscribed &amp; Paid-up</b>		
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>
<b>Shareholders holding more than 5% of Equity shares</b>		
	<b>Nos. of shares</b>	<b>Nos. of shares</b>
Sterlite Merchants LLP	13,562,084	–
Sarvottam Caps Pvt. Ltd.	–	11,269,082
Startrack Vinimay Pvt. Ltd.	–	2,143,001
Mr. Amar Singh	1,458,453	1,458,453
Citrus Securities Pvt. Ltd.	1,805,670	2,227,711
Rottex Mercantile Pvt. Ltd.	4,062,000	4,100,000
<b>NOTE 3</b>		
<b>RESERVES &amp; SURPLUS</b>		
Capital Reserve on Amalgamation	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	2,288,636	–
Add: Transferred from Statement of Profit and Loss	–	2,288,636
Surplus in Statement of Profit & Loss		
Surplus :		
Opening Balance	551,346,995	498,154,992
Add : Profit/(Loss) for the year transferred from Statement of Profit & Loss	63,326,239	91,545,428
Less :Appropriations		
Transferred to General Reserve	–	2,288,636
Proposed Dividend on Equity shares [Dividend per share ₹ 0.80/- (Previous year ₹ 1.20 /-)]	22,000,000	33,000,000
Tax on Dividend	3,738,900	5,353,425
Balance at the end of the year	<u>588,934,333</u>	<u>551,346,995</u>
<b>Total</b>	<u>1,064,099,678</u>	<u>1,026,512,339</u>



	As at 31st March 2013 ₹	As at 31st March 2012 ₹
<b>NOTE 4</b>		
<b>LONG TERM BORROWINGS</b>		
<b>Unsecured</b>		
Loan from others		
From Bodies Corporate	539,450,000	610,450,000
	<u>539,450,000</u>	<u>610,450,000</u>
<b>Terms of Repayment</b>		
<b>Period (Year)</b>		
2013-14	Nil	Nil
2014-15	539,450,000	610,450,000
 <b>NOTE 5</b>		
<b>DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Assets</b>		
Expenses allowable on payment basis	(1,763,658)	(1,528,053)
Provision for bad & doubtful debts	(14,045,286)	-
<b>Deferred Tax Liabilities</b>		
Depreciation Difference	38,256,046	43,611,830
	<u>22,447,102</u>	<u>42,083,777</u>
 <b>NOTE 6</b>		
<b>LONG TERM PROVISIONS</b>		
<b>Provision for Employee benefits</b>		
Provision for leave encashment	3,834,000	3,466,058
Provision for Gratuity	1,364,000	977,287
	<u>5,198,000</u>	<u>4,443,345</u>
 <b>NOTE 7</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Cash Credit from Allahabad Bank	76,047,548	95,429,469
	<u>76,047,548</u>	<u>95,429,469</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).



As at 31st March 2013 ₹	As at 31st March 2012 ₹
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**NOTE 8****TRADE PAYABLES**

101,667,673	87,922,067
<b>101,667,673</b>	<b>87,922,067</b>

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	53,893,766	24,899,090
Unpaid Dividends	540,465	420,658
TDS Payable	1,685,787	1,485,375
Service Tax Payable	87,317	-
Other Payables	45,869,505	136,662,584
	<b>102,076,840</b>	<b>163,467,707</b>

**NOTE 10****SHORT TERM PROVISIONS****Provision for employee benefits**

Provision for leave encashment	237,000	265,000
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**Others**

Provision for Income Tax	33,160,492	42,513,669
Provision for Fringe Benefit Tax	1,017,826	1,017,826
Provision for Proposed Dividend	22,000,000	33,000,000
Provision for Dividend Distribution Tax	3,738,900	5,353,425
	<b>60,154,218</b>	<b>82,149,920</b>



**NOTE 11  
FIXED ASSETS**

Amount in ₹

Name of the Assets	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	Cost as at 01.04.2012	Additions/ Adjustments	Deletion/ Adjustments	Cost as at 31.03.2013	As at 01.04.2012	During the year	Deduction/ Adjustment	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>(A) Tangible Assets</b>										
Freehold Land	208,300	-	-	208,300	-	-	-	-	208,300	208,300
Leasehold Land [Note 1]	-	-	-	-	-	-	-	-	-	-
Office Premises	18,641,250	-	-	18,641,250	4,965,881	683,768	-	5,649,649	12,991,601	13,675,369
Buildings and Roads	112,933,241	-	-	112,933,241	10,594,262	3,597,041	-	14,191,303	98,741,938	102,338,979
Plant & Machinery	377,696,621	11,005,125	-	388,701,746	164,199,618	18,661,280	-	182,860,897	205,840,849	213,497,003
Hydraulic Works	155,110,028	-	-	155,110,028	68,555,249	8,067,384	-	76,622,633	78,487,395	86,554,780
Transmission Lines, Transformers, Cable Network, etc. [Note 2]	53,466,018	-	-	53,466,018	26,191,806	1,985,232	-	28,177,038	25,288,980	27,274,212
Office Equipment	6,449,954	347,270	-	6,797,224	4,150,423	681,968	-	4,832,391	1,964,833	2,299,531
Furniture and Fixtures	15,365,352	82,943	-	15,448,295	6,448,847	1,742,222	-	8,191,068	7,257,227	8,916,505
Motor Vehicle	19,207,203	15,464,313	-	34,671,516	14,759,882	2,947,318	-	17,707,200	16,964,316	4,447,321
Windmill [Note 3]	184,767,000	-	-	184,767,000	39,069,088	9,745,618	-	48,814,706	135,952,294	145,697,912
<b>Total (A)</b>	<b>943,844,967</b>	<b>26,899,651</b>	-	<b>970,744,618</b>	<b>338,935,054</b>	<b>48,111,831</b>	-	<b>387,046,885</b>	<b>583,697,733</b>	<b>604,909,913</b>
<b>(B) Intangible Assets</b>										
Computer Software	2,328,455	62,400	-	2,390,855	1,238,327	439,539	-	1,677,866	712,989	1,090,128
<b>Total (B)</b>	<b>2,328,455</b>	<b>62,400</b>	-	<b>2,390,855</b>	<b>1,238,327</b>	<b>439,539</b>	-	<b>1,677,866</b>	<b>712,989</b>	<b>1,090,128</b>
<b>Total (A+B)</b>	<b>946,173,422</b>	<b>26,962,051</b>	-	<b>973,135,473</b>	<b>340,173,381</b>	<b>48,551,370</b>	-	<b>388,724,751</b>	<b>584,410,722</b>	<b>606,000,041</b>
Previous Year	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	

**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 2013 ₹	As at 31st March 2012 ₹
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**NOTE 12****NON CURRENT INVESTMENTS****(Long Term Investment at cost, unless otherwise stated)**

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



	As at 31st March 2013 ₹	As at 31st March 2012 ₹
<b>Investment in 10% Cumulative Redeemable Preference Shares of Subsidiary Companies (Unquoted)</b>	<b>% of Shareholding</b>	
EDCL Seppa Riang Power Pvt. Ltd. 50,000 (50,000) Preference Shares of ₹ 100/- each fully paid-up	5,000,000	5,000,000
EDCL Tawang Lower Tsachu Hydro Electric Pvt. Ltd. 400,000 (400,000) Preference Shares of ₹ 100/- each fully paid-up	40,000,000	40,000,000
EDCL Tawang Power Pvt. Ltd. 400,000 (400,000) Preference Shares of ₹ 100/- each fully paid-up	40,000,000	40,000,000
EDCL Tawang Upper Tsachu Hydro Electric Pvt. Ltd. 30,000 (30,000) Preference Shares of ₹ 100/- each fully paid-up	30,000,000	30,000,000
<b>(B)</b>	<b>115,000,000</b>	<b>115,000,000</b>
<b>Investment in PMS (Unquoted)</b>		
Sai Rayalaseema Paper Mills Ltd. 18,810 (18,810) Equity Shares of ₹ 10/- each fully paid-up	228,542	228,542
<b>(C)</b>	<b>228,542</b>	<b>228,542</b>
<b>Total ( A+B+C)</b>	<b>689,478,542</b>	<b>689,478,542</b>
<b>Aggregate amount of unquoted investments</b>	<b>689,478,542</b>	<b>689,478,542</b>

\* 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	423,646,413	615,596,900
Capital Advances	23,000,000	23,000,000
Security Deposits	5,833,604	3,543,298
	<b>452,480,017</b>	<b>642,140,198</b>





	As at 31st March 2013 ₹	As at 31st March 2012 ₹
<b>NOTE 14</b>		
<b>INVENTORIES</b>		
(As taken, valued and certified by the management)		
Contract work-in-progress	39,768,525	42,851,607
Stores, Spares and Consumables	5,619,461	5,382,102
	<u>45,387,986</u>	<u>48,233,709</u>
<b>NOTE 15</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured - Considered Good)		
Outstanding for a period of more than six months (*)	91,014,480	104,239,958
Less : Provision for bad & doubtful debt	43,282,853	21,641,427
	<u>47,731,627</u>	<u>82,598,531</u>
Other Debts(*)	207,295,382	102,471,022
	<u>255,027,009</u>	<u>185,069,553</u>
* [Includes ₹ 43,373,094/- (Previous Year ₹ 8,057,415/- ) receivable from subsidiaries]		
<b>NOTE 16</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Balance with Banks		
- on Current Accounts	21,878,792	8,970,421
- on Unpaid Dividend Account	540,465	420,658
Other Bank balances		
- on Margin Money Accounts	46,186,000	46,186,000
Cash on hand	303,440	125,725
	<u>68,908,697</u>	<u>55,702,804</u>
<b>NOTE 17</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured - Considered Good)		
Advance (recoverable in cash or in kind or for value to be received) (*)	35,641,353	31,592,760
Advance Income Tax including Tax deducted at Source	43,355,370	44,224,578
MAT Credit Entitlement (**)	39,715,860	-
Advance Fringe Benefit Tax	953,963	953,963
	<u>119,666,546</u>	<u>76,771,301</u>
* [Includes ₹ 1,055,459/- (Previous Year ₹ 38,957/-) receivable from subsidiaries]		
** As at the year end the Company has ascertained the amount of MAT credit available to it and recognised the same. Further ₹ 5,573,317 has been adjusted from provision for the year.		
<b>NOTE 18</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Receivable (*)	30,021,540	84,062,475
	<u>30,021,540</u>	<u>84,062,475</u>
*[Includes ₹ 27,054,654/- (Previous Year ₹ 84,029,653/- ) receivable from subsidiaries]		



	Year ended 31st March 2013 ₹	Year ended 31st March 2012 ₹
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**NOTE 19****REVENUE FROM OPERATIONS**

Sale of Products	414,875,616	510,423,808
Sale of Services	81,573,360	101,672,721
	<u>496,448,976</u>	<u>612,096,529</u>
Less : Service Tax	8,973,360	9,494,370
	<u>487,475,616</u>	<u>602,602,159</u>

**NOTE 20****OTHER INCOME**

Interest Received (*)	34,649,343	97,377,686
Profit on Sale of non current investments	-	20,996
Profit on Sale of fixed assets (**)	-	3,307,150
Liability no longer required written back	7,140	850,673
Miscellaneous income	36,946	103,728
	<u>34,693,429</u>	<u>101,660,232</u>

\* [Includes ₹ 30,060,727/- (Previous year ₹ 93,366,280/-) amount received from subsidiaries]

\*\* [Includes ₹ Nil (Previous year ₹ 3,298,350/-) from subsidiaries]

**NOTE 21****CHANGES IN INVENTORIES OF FINISHED GOODS,  
WORK-IN-PROGRESS AND STOCK-IN-TRADE**

Opening stock of Contract Work-in-Progress	42,851,607	16,612,471
Less : Closing stock of Contract Work-in-Progress	39,422,411	42,851,607
	<u>3,429,196</u>	<u>(26,239,136)</u>

**NOTE 22****EMPLOYEE BENEFITS EXPENSES**

Salaries & Wages	46,292,313	40,814,133
Contribution to Provident and other Funds	449,226	443,213
Staff welfare expenses	4,415,191	3,197,061
	<u>51,156,730</u>	<u>44,454,407</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 ₹ 109,963/- (Previous year ₹ 108,047/-)

Employer's Contribution to Pension Fund ₹ 249,402/- (Previous year ₹ 245,026/-)

**(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)
		31.03.2013	31.03.2013	31.03.2012	31.03.2012
	<b>Expenses Recognized in the Profit &amp; Loss Account</b>				
1	Current Service Cost	9.65	7.28	9.23	7.32
2	Interest Cost	4.78	3.21	4.18	3.00
3	Expected return on plan assets	(4.39)	-	(3.58)	-
4	Actuarial Losses / (Gains)	(0.20)	(7.01)	(6.23)	(9.14)
	<b>Total Expenses</b>	<b>9.84</b>	<b>3.48</b>	<b>3.60</b>	<b>1.18</b>
	<b>Change in the obligation during the year</b>				
1	<b>Present value of Defined Benefit</b>				
	<b>Obligation at the beginning of the year</b>	<b>56.60</b>	<b>37.31</b>	<b>50.98</b>	<b>36.13</b>
2	Current Service Cost	9.65	7.28	9.23	7.32
3	Interest Cost	4.78	3.21	4.18	3.00
4	Benefit Paid	(2.08)	(0.08)	(1.34)	-
	Actuarial (Gains) / Losses	(0.36)	(7.01)	(6.45)	(9.14)
6	<b>Present value of Defined Benefit Obligation at the end of the year</b>	<b>68.59</b>	<b>40.71</b>	<b>56.60</b>	<b>37.31</b>
	<b>Change in Assets during the year ended March 31, 2013</b>				
1	<b>Plan Assets at the beginning of the year</b>	<b>46.83</b>	<b>-</b>	<b>36.07</b>	<b>-</b>
2	Contribution by Employer	5.97	-	8.74	-
3	Expected return on plan assets	4.39	-	3.58	-
4	Benefit Paid	(2.08)	(0.08)	(1.34)	-
5	Actuarial Gains / (Losses)	(0.16)	-	(0.22)	-
	<b>Plan Assets at the end of the year</b>	<b>54.95</b>	<b>-</b>	<b>46.83</b>	<b>-</b>
	<b>Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the year ended March 31, 2013</b>				
1	Net Asset / (Liability) at beginning of the year	(9.77)	(37.31)	(14.91)	(36.13)
2	Acquisition	-	-	-	-
3	Employer Expenses	(9.84)	(3.48)	(3.60)	(1.18)
4	Employer Contributions	5.97	0.08	8.74	-
5	<b>Net Asset / (Liability) at the end of the year</b>	<b>(13.64)</b>	<b>(40.71)</b>	<b>(9.77)</b>	<b>(37.31)</b>
	<b>Actuarial Assumptions</b>				
1	Discount Rate	8.20%	8.20%	8.60%	8.60%
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)			
	2012-2013	2011-2012	2010-2011	2009-2010
Present value of defined benefit obligations	(68.59)	(56.60)	(50.98)	(21.10)
Fair value of plan assets	54.95	46.83	36.07	25.40
Surplus/(Deficit)	(13.64)	(9.77)	(14.91)	4.30
Experience adjustment on plan liabilities (loss)/gain	3.95	(4.09)	(11.13)	5.95
Experience adjustment on plan assets (loss)/gain	(0.16)	(0.22)	(0.32)	(0.36)

## 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 2013	Year ended 31st March 2012
	₹	₹

## NOTE 23

## FINANCE COSTS

Interest Expenses		
- On Cash-Credit	4,191,315	2,857,978
- On Others	62,198,786	66,741,527
Other borrowing cost	1,025,254	7,635,507
	<u>67,415,355</u>	<u>77,235,012</u>

## NOTE 24

## OTHER EXPENSES

Payment to Auditors :		
- As Auditors	150,000	150,000
- For Taxation matters	50,000	50,000
- Other Services	45,500	50,500
Cost of Power Purchased	2,756,174	1,716,026
Stores and Spares consumed*	846,114	825,275
Contract, Consultancy and Service Charges	46,372,837	54,135,574
Rent	5,737,800	8,703,782
Repairs & Maintenance :		
- Plant & Machinery	11,432,619	7,602,901
- Others	5,248,894	3,391,089
Rates & Taxes	6,196,198	6,514,575
Travelling & Conveyance Expenses	7,413,937	9,819,812
Insurance	1,029,482	962,098
Legal & Professional charges	8,231,877	7,675,752
Security Services	1,897,957	1,746,531
Telephone, Fax, Postal etc.	1,576,378	1,778,349
Miscellaneous Expenses	10,211,199	7,937,614
	<u>109,196,966</u>	<u>113,059,879</u>

\* Value of consumption of stores and spare parts:

- The entire consumption is out of indigenous supplies.
- Consumption as above includes ₹ 309,064/- (Previous year ₹ 309,911/-) on account of amortisation of spares.
- 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 & CONTINGENCIES**

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 212,885,648/- (Previous year ₹ 202,245,697/-)
- b) The company has given guarantee in respect of loan taken by one of its subsidiary (Outstanding balance as on 31.03.2013 ₹ 605,196,921/-)
- c) Claims against the Company not acknowledged as debts :

Nature of the statute	Nature of Dues	Amount ₹	Period to which amount relates	Forum where the dispute is pending
Income Tax	Scrutiny demand raised U/s 143(3)	30,224,140/-	Assessment year 2010-11	CIT (Appeals)

**NOTE 26****RELATED PARTY DISCLOSURES PURSUANT TO ACCOUNTING STANDARD -18 :**

<b>(a)</b>	<b>Key Management Personnel and their relative</b>
	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>(b)</b>	<b>Subsidiary Companies</b>
1	AYYAPPA HYDRO POWER LIMITED
2	EASTERN RAMGANGA VALLEY HYDEL PROJECTS CO. PVT. LTD.
3	EDCL ARUNACHAL HYDRO PROJECT PVT. LTD.
4	EDCL POWER PROJECTS 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 RIANG 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.
<b>(c)</b>	<b>Associates</b>
	Sterlite Merchants LLP (With effect from 09.01.2013)
	Sarvottam Caps Pvt. Ltd. (Upto 09.01.2013)

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

Amount in ₹

	Transactions during the year			Outstanding balance as at the year end
	Managerial Remuneration	Rent Paid	Directors Sitting Fees	Security Deposit
Mr. Amar Singh	— (1,600,000)	— (300,000)	140,000 —	300,000 (300,000)
Mr. Sanjiv Saraf	4,100,000 (3,820,000)	720,000 (720,000)	— —	— —
Mrs. Pankaja Kumari Singh	— —	— —	80,000 (25,000)	300,000 (300,000)
Mrs. Indira Saraf	— —	792,000 (792,000)	— —	— —

(Previous year figures are given within brackets)



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

Transactions during the year	Amount in ₹											
	Investment in Equity Shares		Investment in Preference Shares		Loans & Advances Given		Loans & Advances Realised		Interest Received		Service Charges Received	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
1 Ayyappa Hydro Power Limited	-	75,000,000	-	-	150,500,000	132,109,800	171,572,961	75,200,000	4,832,137	-	12,000,000	12,000,000
2 Eastern Rameganga Valley Hydel Projects Co Pvt Ltd	-	-	-	-	8,370,000	4,771,974	-	-	10,913,188	9,988,006	4,800,000	2,400,000
3 EDCL Arunachal Hydro Project Pvt Ltd	-	-	-	-	500,000	4,222,526	7,439,507	-	271,624	552,832	-	-
4 EDCL Power Projects Limited	-	-	-	-	19,600,000	4,100,000	1,700,000	5,300,000	823,068	-	9,000,000	9,000,000
5 EDCL Seppa Beyond Hydro Electric Pvt Ltd	-	47,000,000	-	-	5,451,866	33,277,474	4,953,888	124,000,000	223,332	8,023,321	3,600,000	3,600,000
6 EDCL Seppa Dunkho Hydro Electric Pvt Ltd	-	47,000,000	-	-	9,427,799	47,626,490	32,904,264	151,500,000	1,000,773	11,946,085	4,800,000	4,800,000
7 EDCL Seppa Jung Power Pvt Ltd	-	22,000,000	-	-	3,251,120	19,827,513	1,810,208	62,000,000	100,519	2,829,283	2,400,000	2,400,000
8 EDCL Seppa Kawa Power Pvt Ltd	-	47,000,000	-	-	5,602,238	39,000,607	7,598,146	102,000,000	331,178	5,401,271	3,600,000	3,600,000
9 EDCL Seppa Lada Hydro Electric Pvt Ltd	-	47,000,000	-	-	5,045,849	35,915,456	22,621,016	101,500,000	540,709	8,107,214	3,600,000	3,600,000
10 EDCL Seppa Marjingla Hydro Electric Pvt Ltd	-	47,000,000	-	-	10,748,799	50,120,610	44,694,431	139,500,000	1,285,471	12,658,350	4,800,000	4,800,000
11 EDCL Seppa Nire Hydro Electric Pvt Ltd	-	19,500,000	-	-	2,181,950	13,620,602	2,003,397	39,500,000	82,834	2,215,084	2,400,000	2,400,000
12 EDCL Seppa Pachuk Power Pvt Ltd	-	47,000,000	-	-	12,378,918	65,666,492	59,496,246	192,000,000	1,196,321	14,394,098	4,800,000	4,800,000
13 EDCL Seppa Rieng Power Pvt Ltd	-	7,000,000	-	5,000,000	3,131,948	13,820,602	3,436,490	47,000,000	173,785	2,168,699	2,400,000	2,400,000
14 EDCL Tawang Lower Tsachu Hydro Electric Pvt Ltd	-	750,000	-	40,000,000	10,127,665	85,524,042	44,507,684	50,750,000	890,924	3,662,028	4,800,000	4,800,000
15 EDCL Tawang Power Pvt Ltd	-	750,000	-	40,000,000	11,549,800	84,377,210	48,039,869	53,250,000	921,259	3,541,812	4,800,000	4,800,000
16 EDCL Tawang Upper Tsachu Hydro Electric Pvt Ltd	-	750,000	-	30,000,000	9,226,063	33,927,518	10,116,395	43,250,000	38,656	1,889,293	2,400,000	2,400,000
17 Sarju Valley Hydel Projects Company Pvt Ltd	-	-	-	-	3,850,000	2,688,094	-	-	6,434,949	5,988,904	2,400,000	1,200,000
<b>Transactions during the year</b>	<b>Sale of Land</b>		<b>Expenses Recovered</b>									
	31.03.2013	31.03.2012	31.03.2013	31.03.2012								
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		Investment in Equity Shares	
		31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
1	Ayyappa Hydro Power Limited	195,458,250	216,531,211	4,348,923	—	1,011,240	2,978,100	—	38,957	200,000,000	200,000,000
2	Eastern Ramganga Valley Hydel Projects Co Pvt Ltd	95,155,586	86,785,586	9,821,869	8,989,205	5,251,032	397,080	—	—	100,000	100,000
3	EDCL Arunachal Hydro Project Pvt Ltd	500,000	7,439,507	244,462	497,549	—	—	71,940	—	100,000	100,000
4	EDCL Power Project Limited	17,900,000	—	740,761	—	825,846	810,705	—	—	40,000,000	40,000,000
5	EDCL Seppa Beyong Hydro Electric Pvt Ltd	3,151,866	2,653,888	200,999	7,220,989	2,730,348	297,810	70,884	—	47,100,000	47,100,000
6	EDCL Seppa Dunkho Hydro Electric Pvt Ltd	7,427,799	30,904,264	900,696	10,751,476	3,640,464	397,080	106,326	—	47,100,000	47,100,000
7	EDCL Seppa Jung Power Pvt Ltd	1,751,120	310,208	90,467	2,546,355	2,625,516	198,540	42,531	—	22,100,000	22,100,000
8	EDCL Seppa Kawa Power Pvt Ltd	3,192,238	5,188,146	298,060	4,861,144	2,730,348	297,810	85,061	—	47,100,000	47,100,000
9	EDCL Seppa Lada Hydro Electric Pvt Ltd	2,495,849	20,521,016	486,638	7,296,493	2,730,348	297,810	79,745	—	47,100,000	47,100,000
10	EDCL Seppa Marjingla Hydro Electric Pvt Ltd	8,548,799	42,494,431	1,156,924	11,392,515	3,640,464	397,080	106,326	—	47,100,000	47,100,000
11	EDCL Seppa Nire Hydro Electric Pvt Ltd	1,081,950	903,397	74,551	1,993,576	2,625,516	198,540	26,582	—	19,600,000	19,600,000
12	EDCL Seppa Pachuk Power Pvt Ltd	9,098,986	56,216,314	1,076,689	12,954,688	1,617,984	397,080	148,857	—	47,100,000	47,100,000
13	EDCL Seppa Riang Power Pvt Ltd	1,831,948	2,136,490	156,406	1,951,829	2,625,516	198,540	26,582	—	7,100,000	7,100,000
14	EDCL Tawang Lower Tsachu Hydro Electric Pvt Ltd	7,927,665	42,307,684	801,832	3,295,825	3,640,464	397,080	88,605	—	850,000	850,000
15	EDCL Tawang Power Pvt Ltd	9,249,800	45,739,869	829,133	3,187,631	2,426,976	397,080	159,490	—	850,000	850,000
16	EDCL Tawang Upper Tsachu Hydro Electric Pvt Ltd	2,893,273	3,783,605	34,790	1,700,364	2,625,516	198,540	42,530	—	850,000	850,000
17	Sarju Valley Hydel Projects Company Pvt Ltd	55,531,284	51,681,284	5,791,454	5,390,014	2,625,516	198,540	—	—	100,000	100,000

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

Particulars	2012-13 (₹)	2011-12 (₹)
<b>Transactions during the year -</b>		
Interest paid	29,161,643	46,806,576
Loan taken	25,000,000	300,000,000
Loan repaid	187,500,000	5,000,000

**Notes :**

- In respect of above parties, there is no provision for doubtful debts as on 31st March 2013 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 27

### QUANTITATIVE INFORMATION

#### (A) Details in respect of Generating Capacity :

	31st March 2013	31st March 2012
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	23.28	40.08
- From wind turbine generator	6.54	6.81

\* 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 250,274 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 28

### EARNINGS PER SHARE (EPS) :

Particulars	2012-13 (₹)	2011-12 (₹)
<b>Basic and Diluted Earnings per share has been computed as under :</b>		
(a) Profit/(Loss) after tax for the year	63,326,239	91,545,428
(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 fully paid up)	2.30	3.33

## NOTE 29

### PAYMENT IN FOREIGN CURRENCY :

	2012-13 (₹)	2011-12 (₹)
Travelling*	3,308,438	3,980,846
Professional Charges	—	300,931,067
Purchase for resale - Kumbhee Project	57,275,786	—

\*of the above, amount of ₹ 3,055,676/- transferred to Subsidiary Cos. as incurred on their behalf.



**NOTE 30****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.

Amount in (₹)

Particulars	Sale of Electricity		Contract Division		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Revenue :</b>						
External sales *	106,908,518	166,485,608	380,567,098	436,116,551	487,475,616	602,602,159
<b>Result :</b>						
Segments	41,146,733	110,274,038	41,350,230	12,246,858	82,496,963	122,520,896
Less-Interest and Finance Charges					67,415,355	77,235,012
Less : Other common expenses (net)					4,439,633	(66,428,779)
Total Profit Before Tax					10,641,975	111,714,663
Provisions For Tax					(52,684,264)	20,169,235
Profit After Tax					63,326,239	91,545,428
Segments Assets	534,681,210	577,333,499	385,016,437	301,741,540	919,697,647	879,075,039
Unallocable Corporate Assets					1,326,443,412	1,516,388,323
<b>TOTAL</b>					2,246,141,059	2,395,463,362
Segments Liabilities	2,063,406	1,059,409	143,314,912	219,115,107	145,378,317	220,174,516
Unallocable Corporate Liabilities					2,100,762,742	2,175,288,846
<b>TOTAL</b>					2,246,141,059	2,395,463,362

\* Sales/Income from operations (net of service tax) includes ₹ 72,600,000/- (Previous Year ₹ 92,178,351/-) 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 31****COMPARATIVES**

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

As per our Report of even date

For **Lodha & Co.**

Chartered Accountants

Sd/- **H. S. Jha**

Partner

Place : Kolkata

Date : 14th May, 2013

**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/- **Vijoy Kumar**, Director

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



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

Particulars	For the year ended 31.03.2013		For the year ended 31.03.2012	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>A) Cash Flow From Operating Activities:</b>				
Profit/ (Loss) before taxation		10,641,975		111,714,663
<b>Adjustments for :</b>				
Depreciation	48,551,370		45,356,595	
Amortisation of Stores, Spares & Tools	309,064		309,911	
Interest & Finance Charges	67,415,355		77,235,012	
(Profit)/Loss on Sale of Fixed Assets(Net)	-		(3,307,150)	
(Profit)/Loss on Sale of Investments	-		(20,996)	
Interest Received	(34,649,343)		(97,377,686)	
Provision for bad & doubtful debts	21,641,426		21,641,427	
Irrevocable Balances Written-Off	49		342,562	
Liability no longer required written back	(7,140)	103,260,781	(850,673)	43,329,002
<b>Operating Profit before Working Capital Changes</b>		113,902,755		155,043,665
<b>Adjustments for :</b>				
(Increase)/Decrease in Inventory	2,536,660		(26,502,480)	
(Increase)/Decrease in Trade and Other receivables	54,296,795		433,743,039	
Increase/(Decrease) in Trade and Other payables	(75,906,142)	(19,072,687)	41,101,694	448,342,253
<b>Cash generated from operations</b>		94,830,069		603,385,918
Direct Taxes paid (Net of refund)		24,563,620		(27,464,432)
<b>Net Cash Flow from Operating Activities</b>		119,393,688		575,921,486
<b>B) Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets		(26,962,051)		(13,886,537)
Sale of Fixed Assets		-		11,800,000
Capital Work In Progress		(760,000)		-
Purchase of Investments		-		(522,750,000)
Sale of Investments		-		110,000
Interest Received		88,690,279		13,365,503
<b>Net Cash Flow from Investing Activities</b>		60,968,228		(511,361,034)
<b>C) Cash Flow from Financing Activities</b>				
Proceeds from / (repayments) of borrowings		(90,381,921)		35,293,469
Interest & Finance Charges		(38,420,679)		(65,129,802)
Dividend Paid		(33,000,000)		(27,500,000)
Dividend Distribution Tax Paid		(5,353,425)		(4,461,188)
<b>Net Cash flow from Financing Activities</b>		(167,156,025)		(61,797,521)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		13,205,891		2,762,931
<b>Cash and Cash equivalents at the beginning of the year</b>		55,702,806		52,939,875
<b>Cash and Cash equivalents at the end of the year</b>		68,908,697		55,702,806

- Notes:**
- 1) Cash and Bank Balance as on 31.03.2013 includes ₹ 46,186,000/- (Previous Year ₹ 46,186,000/-) 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 & Co.**

Chartered Accountants

Sd/- **H. S. Jha**

Partner

Place : Kolkata

Date : 14th May, 2013

**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/- **Vijoy Kumar**, 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 ITS 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 2013 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 26 (ii) regarding the status of a project in a subsidiary, where 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 2013;
  - 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 : 14th May, 2013

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, 2013

Particulars	Note No.	Amount in ₹	
		As at 31st March 2013	As at 31st March 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	610,000,000	610,000,000
Reserves and Surplus	3	1,027,047,490	1,023,508,898
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	2,458,450,000	1,798,932,806
Deferred tax liabilities (Net)	5	17,311,413	38,144,804
Long term provisions	6	5,397,000	4,443,345
<b>Current Liabilities</b>			
Short-term borrowings	7	76,047,548	95,429,469
Trade payables	8	186,584,786	122,451,630
Other current liabilities	9	245,142,967	279,445,902
Short-term provisions	10	61,226,541	83,208,243
<b>Total</b>		<b>4,687,207,746</b>	<b>4,055,565,097</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	11		
- Tangible assets		905,542,407	943,740,556
- Intangible assets		713,184	1,105,825
- Capital Work-in-progress	27	3,210,192,452	2,492,406,834
Non-current investments	12	1,928,542	1,928,542
Long term loans and advances	13	33,641,178	205,179,008
<b>Current assets</b>			
Inventories	14	55,114,966	58,424,520
Trade receivables	15	253,478,577	213,065,490
Cash and cash equivalents	16	98,027,504	57,665,527
Short-term loans and advances	17	125,598,699	82,012,800
Other current assets	18	2,970,237	35,995
<b>Total</b>		<b>4,687,207,746</b>	<b>4,055,565,097</b>
Significant Accounting Policies	1		

The accompanying notes (1-30) form an integral part of financial statements.

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

Place : Kolkata  
Date : 14th May, 2013

**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/- **Vijoy Kumar**, Director  
Sd/- **Indranil Banerjee**, Company Secretary



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	Amount in ₹	
		Year ended 31st March 2013	Year ended 31st March 2012
Revenue from operations	19	513,568,010	650,134,564
Other Income	20	36,063,823	98,422,002
<b>Total Revenue</b>		<b>549,631,833</b>	<b>748,556,567</b>
<b>Expenses :</b>			
Cost of materials consumed		57,779,668	29,073,289
Purchase of Stock-in-Trade		152,356,359	287,966,257
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	3,429,196	(26,239,136)
Employee benefits expense	22	51,156,730	44,454,407
Finance costs	23	105,877,929	115,408,729
Depreciation and amortisation expense	11	65,477,143	62,616,830
Provision for bad & doubtful debt		21,641,426	21,641,427
Other expenses	24	116,515,870	123,112,101
<b>Total Expenses</b>		<b>574,234,321</b>	<b>658,033,903</b>
<b>Profit/(Loss) before tax for the year</b>		<b>(24,602,488)</b>	<b>90,522,663</b>
<b>Tax expense :</b>			
- Current tax		12,032,500	26,700,000
- Mat Credit Entitlement for earlier years		(45,289,177)	-
- Tax for earlier years		210,088	(2,185,341)
- Deferred tax		(20,833,391)	(5,630,794)
		<b>(53,879,980)</b>	<b>18,883,865</b>
<b>Profit/(Loss) after tax for the year</b>		<b>29,277,492</b>	<b>71,638,798</b>
Earnings per equity share of ₹ 10 each fully paid up	29		
- Basic & Diluted		1.06	2.61
Significant Accounting Policies	1		

The accompanying notes (1-30) form an integral part of financial statements.

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

Place : Kolkata  
Date : 14th May, 2013

**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/- **Vijoy Kumar**, 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 & 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 2013, 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 :

SI No.	Name of the Company	% of holdings	
		2012-13	2011-12
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) Revenue in respect of sale of electricity generated is 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 in progress 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 Generation 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 2013 ₹	As at 31st March 2012 ₹
<b>NOTE 2</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
35,000,000 (35,000,000) Equity shares of ₹ 10/- each	<u>350,000,000</u>	<u>350,000,000</u>
<b>Issued, Subscribed &amp; Paid-up</b>		
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 (3,350,000) 10% Cumulative Redeemable Preference shares of ₹ 100/- each fully paid up (Redeemable within 20 years of allotment)	<u>335,000,000</u>	<u>335,000,000</u>
	<u>335,000,000</u>	<u>335,000,000</u>
<b>Shareholders holding more than 5% of Equity shares</b>		
	<b>No. of shares</b>	<b>No. of shares</b>
Sterlite Merchants LLP	13,562,084	–
Sarvottam Caps Pvt. Ltd.	–	11,269,082
Startrack Vinimay Pvt. Ltd.	–	2,143,001
Mr. Amar Singh	1,458,453	1,458,453
Citrus Securities Pvt. Ltd.	1,805,670	2,227,711
Rottex Mercantile Pvt. Ltd.	4,062,000	4,100,000
<b>NOTE 3</b>		
<b>RESERVES &amp; SURPLUS</b>		
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
<b>General Reserve</b>		
Opening Balance	2,288,636	–
Add : Transferred from Statement of Profit and Loss	–	2,288,636
<b>Surplus in Statement of Profit and Loss</b>		
Surplus		
Opening	538,600,224	507,603,487
Add : Profit/(Loss) for the year transferred from Statement of Profit and Loss	29,277,492	71,638,798
Less : Appropriations		
Transferred to General Reserve	–	2,288,636
Proposed Dividend on Equity shares [Dividend per share ₹ 0.80/- (Previous year ₹ 1.20/-)]	22,000,000	33,000,000
Tax on Dividend	<u>3,738,900</u>	<u>5,353,425</u>
	<u>542,138,816</u>	<u>538,600,224</u>
<b>Total</b>	<u>1,027,047,490</u>	<u>1,023,508,898</u>



	As at 31st March 2013 ₹	As at 31st March 2012 ₹
<b>NOTE 4</b>		
<b>LONG TERM BORROWINGS</b>		
<b>Secured</b>		
<b>Term Loan</b>	550,000,000	445,882,806
(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)		
<b>Unsecured</b>		
From Bodies Corporate	1,908,450,000	1,353,050,000
	<u>2,458,450,000</u>	<u>1,798,932,806</u>
<b>Terms of Repayment</b>		
<b>Period (Year)</b>		
2013-14	Nil	Nil
2014-15	1,908,450,000	1,353,050,000
<b>NOTE 5</b>		
<b>DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Assets</b>		
Depreciation Difference	(5,135,689)	(1,528,053)
Expenses allowable on payment basis	(1,763,658)	-
Provision for bad & doubtful debts	(14,045,286)	-
<b>Deferred Tax Liabilities</b>		
Depreciation Difference	38,256,046	39,672,857
	<u>17,311,413</u>	<u>38,144,804</u>
<b>NOTE 6</b>		
<b>LONG TERM PROVISIONS</b>		
<b>Provision for Employee benefits</b>		
Provision for leave encashment	3,864,000	3,466,058
Provision for Gratuity	1,533,000	977,287
	<u>5,397,000</u>	<u>4,443,345</u>



As at 31st March 2013 ₹	As at 31st March 2012 ₹
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**NOTE 7****SHORT TERM BORROWINGS****Secured**

Cash Credit

76,047,548	95,429,469
<u>76,047,548</u>	<u>95,429,469</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**

186,584,786	122,451,630
<u>186,584,786</u>	<u>122,451,630</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	133,634,940	118,394,581
Current maturities of long-term debt : Term Loan from PNB	55,196,921	-
Unpaid Dividends	540,465	420,658
TDS Payable	8,172,386	-
Service Tax Payable	196,398	-
Other Payable	47,401,857	160,630,663
	<u>245,142,967</u>	<u>279,445,902</u>

**NOTE 10****SHORT TERM PROVISIONS****Provision for Employee benefits**

Provision for leave encashment	2,39,000	2,65,000
Provision for Gratuity	12,000	-

**Others**

Provision for Income Tax	34,064,815	43,417,992
Provision for Fringe Benefit Tax	1,171,826	1,171,826
Provision for Proposed Dividend	22,000,000	33,000,000
Provision for Dividend Distribution Tax	3,738,900	5,353,425
	<u>61,226,541</u>	<u>83,208,243</u>



**NOTE 11  
FIXED ASSETS**

Name of the Assets	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
	Cost as at 01.04.2012	Additions	Deductions	Cost as at 31.03.2013	As at 01.04.2012	During the year	Deductions/ Adjustments	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012	
	Amount in ₹										
<b>(A) Tangible Assets</b>											
Freehold Land	6,488,705	-	-	6,488,705	-	-	-	-	6,488,705	6,488,705	
Leasehold Land *	-	-	-	-	-	-	-	-	-	-	
Office Premises	18,641,250	-	-	18,641,250	4,965,881	683,768	-	5,649,649	12,991,601	13,675,369	
Buildings and Roads	176,983,874	-	-	176,983,874	17,467,978	5,629,368	-	23,097,346	153,886,528	159,515,896	
Plant & Machinery	537,748,234	11,037,275	-	548,785,509	188,809,361	25,957,437	-	214,766,798	334,018,711	348,938,873	
Hydraulic Works	303,667,501	-	-	303,667,501	91,237,481	14,771,040	-	106,008,521	197,658,980	212,430,020	
Transmission Lines, Transformers, Cable Network, etc**	69,102,495	-	-	69,102,495	28,538,223	2,690,828	-	31,229,051	37,873,444	40,564,272	
Office Equipment	7,692,717	353,560	-	8,046,277	5,325,492	715,336	-	6,040,828	2,005,449	2,367,225	
Furniture and Fixtures	16,064,999	82,943	-	16,147,942	6,835,068	1,798,952	-	8,634,020	7,513,922	9,229,931	
Motor Vehicle	20,879,824	15,464,313	841,652	35,502,485	16,047,471	3,029,754	727,513	18,349,712	17,152,773	4,832,353	
Windmill ***	184,767,000	-	-	184,767,000	39,069,088	9,745,618	-	48,814,706	135,952,294	145,697,912	
<b>Total (A)</b>	<b>1,342,036,599</b>	<b>26,938,091</b>	<b>841,652</b>	<b>1,368,133,038</b>	<b>398,296,043</b>	<b>65,022,101</b>	<b>727,513</b>	<b>462,590,631</b>	<b>905,542,407</b>	<b>943,740,556</b>	
<b>(B) Intangible Assets</b>											
Goodwill	141,448	-	-	141,448	126,076	15,372	-	141,448	-	15,372	
Computer Software	2,340,479	62,400	-	2,402,879	1,250,026	439,669	-	1,689,695	713,184	1,090,453	
<b>Total (B)</b>	<b>2,481,927</b>	<b>62,400</b>	<b>-</b>	<b>2,544,327</b>	<b>1,376,102</b>	<b>455,041</b>	<b>-</b>	<b>1,831,143</b>	<b>713,184</b>	<b>1,105,825</b>	
<b>TOTAL (A+B)</b>	<b>1,344,518,526</b>	<b>27,000,491</b>	<b>841,652</b>	<b>1,370,677,365</b>	<b>399,672,145</b>	<b>65,477,142</b>	<b>727,513</b>	<b>464,421,774</b>	<b>906,255,591</b>	<b>944,846,381</b>	
Previous Year	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		

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/-)



	As at 31st March 2013 ₹	As at 31st March 2012 ₹
<b>NOTE 12</b>		
<b>NON CURRENT INVESTMENTS</b>		
(Long Term) (at cost unless otherwise stated)		
Investment in Equity Instrument (Unquoted)		
EDCL Infrastructure Ltd. 170,000 Equity Shares of ₹ 10/- each fully paid-up	1,700,000	1,700,000
Investment in PMS (Unquoted)	228,542	228,542
	<u>1,928,542</u>	<u>1,928,542</u>
<b>NOTE 13</b>		
<b>LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good )		
Capital Advances	27,807,574	201,635,710
Security Deposits	5,833,604	3,543,298
	<u>33,641,178</u>	<u>205,179,008</u>
<b>NOTE 14</b>		
<b>INVENTORIES</b>		
(As taken, valued and certified by the management)		
Contract work-in-progress	39,768,525	42,851,607
Stores, Spares and Consumables	15,346,441	15,572,913
	<u>55,114,966</u>	<u>58,424,520</u>
<b>NOTE 15</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured, considered good)		
Outstanding for a period of more than six months	127,852,485	133,232,249
Less : Provision for bad & doubtful debt (Refer Note 26)	43,282,853	21,641,427
	<u>84,569,632</u>	<u>111,590,822</u>
Other Debts	168,908,945	101,474,668
	<u>253,478,577</u>	<u>213,065,490</u>
<b>NOTE 16</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Balance with Banks		
- on Current Accounts	50,221,382	10,580,848
- on Unpaid Dividend Account	540,465	420,658
- on Margin Money Accounts	46,523,580	46,497,619
Cash on hand	742,077	166,402
	<u>98,027,504</u>	<u>57,665,527</u>



	As at 31st March 2013 ₹	As at 31st March 2012 ₹
<b>NOTE 17</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advance (recoverable in cash or in kind or for value to be received)	37,793,690	33,086,923
Security Deposits	614,896	614,896
Advance Income Tax including Tax deducted at Source	46,360,682	47,197,411
Mat Credit Entitlement*	39,715,860	-
Advance Fringe Benefit Tax	1,113,570	1,113,570
	<u>125,598,699</u>	<u>82,012,800</u>
* As at the year end the Company has ascertained the amount of MAT credit available to it and recognised the same. Further ₹ 5,573,317 has been adjusted from provision for the year.		
<b>NOTE 18</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Receivable	2,970,237	35,995
	<u>2,970,237</u>	<u>35,995</u>
<b>NOTE 19</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Products	449,968,010	566,956,213
Sale of Services	72,573,360	92,672,721
	522,541,370	659,628,934
Less : Service Tax	8,973,360	9,494,370
	<u>513,568,010</u>	<u>650,134,564</u>
<b>NOTE 20</b>		
<b>OTHER INCOME</b>		
Profit on Sale of non-current investments	-	20,996
Profit on Sale of Fixed Assets	105,862	8,800
Interest Received	34,974,124	97,402,208
Liability no longer required written back	12,584	886,270
Miscellaneous Income	971,254	103,728
	<u>36,063,824</u>	<u>98,422,002</u>
<b>NOTE 21</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening stock of Contract Work-in-Progress	42,851,607	16,612,471
Less : Closing stock of Contract Work-in-Progress	39,422,411	42,851,607
	<u>3,429,196</u>	<u>(26,239,136)</u>



	Year ended 31st March 2013 ₹	Year ended 31st March 2012 ₹
<b>NOTE 22</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries & Wages	46,292,313	40,814,133
Contribution to Provident and other Funds	449,226	443,213
Staff welfare expenses	4,415,191	3,197,061
	<u>51,156,730</u>	<u>44,454,407</u>
<b>NOTE 23</b>		
<b>FINANCE COSTS</b>		
Interest Expenses		
On Cash-Credit	4,191,315	2,857,978
On Others	100,661,360	104,913,593
Other borrowing cost	1,025,254	7,637,158
	<u>105,877,929</u>	<u>115,408,729</u>
<b>NOTE 24</b>		
<b>OTHER EXPENSES</b>		
Payment to Auditors :		
- As Auditors	520,000	520,000
- For Taxation matters	85,000	65,000
- Other Services	45,500	50,500
Cost of Power Purchased	2,795,455	1,729,346
Stores and Spares consumed	1,382,390	1,542,639
Contract, Consultancy and Service Charges	46,372,837	54,135,574
Rent	5,887,166	9,081,116
Repairs & Maintenance :		
- Plant & Machinery	12,231,056	8,432,919
- Others	5,441,074	3,871,980
Rates & Taxes	7,799,732	7,792,778
Travelling & Conveyance Expenses	7,708,046	9,903,576
Insurance	1,606,065	1,283,944
Legal & Professional charges	8,515,735	8,087,802
Security Services	2,325,477	2,154,318
Telephone, Fax, Postal etc.	1,678,373	1,915,074
Discount & Rebate	586,415	937,178
Board Meeting Fees	176,000	52,000
Miscellaneous Expenses	11,359,549	11,556,357
	<u>116,515,870</u>	<u>123,112,101</u>

**NOTE 25****COMMITMENT & CONTINGENCIES**

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 278,385,648/ (Previous year ₹ 263,445,697/-)
- b) The company has given guarantee in respect of loan taken by one of its subsidiary ( Outstanding balance as on 31.03.2013 ₹ 605,196,921/-)
- c) Claims against the Company not acknowledged as debts:

Nature of the statute	Nature of Dues	Amount ( ₹ )	Period to which amount relates	Forum where the dispute is pending
Income Tax	Scrutiny demand raised U/s 143(3)	30,224,140/-	Assessment year 2010-11	CIT (Appeals)

**NOTE 26****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 31.03.2013	As at 31.03.2012
<b>Balance brought forward</b>	<b>1,830,568,943</b>	1,084,135,105
Salaries and allowances	2,900,286	2,281,158
R & D Cess	–	17,980,741
Rent	13,996,979	12,770,273
Rates and Taxes	12,099,411	26,293,076
Insurance	339,194	422,848
Legal and Professional charges	25,292,003	361,812,161
Travelling and Conveyance expenses	10,873,943	14,117,348
Interest on Term Loan	237,542,931	208,408,801
Miscellaneous expenses	11,809,010	9,960,135
Project Development Expenses	160,049	32,387,297
Service Charges	63,600,000	60,000,000
<b>Balance Carried to Balance Sheet</b>	<b>2,209,182,749</b>	1,830,568,943





## NOTE 27

## 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	(1,378,393)	1,385,691,209	1,187,069,602	-	-	(111,567)	-	(111,567)	-
2.	EDCL Power Projects Ltd.	37,500,000	(23,862,545)	377,250,768	363,613,313	1,700,000	35,092,394	(34,596,944)	(1,195,716)	(33,401,228)	-
3.	EDCL Arunachal Hydro Project Pvt. Ltd.	100,000	(247,917)	10,077,128	10,225,045	-	-	(34,972)	-	(34,972)	-
4.	EDCL Seppa Beyong Hydro Electric Pvt. Ltd.	49,500,000	37,151,033	155,636,981	68,985,948	-	-	(34,972)	-	(34,972)	-
5.	EDCL Seppa Dunkho Hydro Electric Pvt. Ltd.	49,500,000	37,151,033	230,991,561	144,340,528	-	-	(34,972)	-	(34,972)	-
6.	EDCL Seppa Jung Power Pvt. Ltd.	44,500,000	17,151,083	76,503,717	14,852,634	-	-	(34,972)	-	(34,972)	-
7.	EDCL Seppa Kawa Power Pvt. Ltd.	49,500,000	37,151,033	130,837,436	44,186,403	-	-	(34,972)	-	(34,972)	-
8.	EDCL Seppa Lada Hydro Electric Pvt. Ltd.	49,500,000	37,151,033	150,648,632	63,997,599	-	-	(34,972)	-	(34,972)	-
9.	EDCL Seppa Marjingla Hydro Electric Pvt. Ltd.	49,500,000	37,151,033	235,628,071	148,977,038	-	-	(34,972)	-	(34,972)	-
10.	EDCL Seppa Nire Hydro Electric Pvt. Ltd.	24,000,000	15,150,983	49,834,118	10,683,135	-	-	(34,972)	-	(34,972)	-
11.	EDCL Seppa Pachuk Power Pvt. Ltd.	49,500,000	37,151,033	305,502,771	218,851,738	-	-	(34,972)	-	(34,972)	-
12.	EDCL Seppa Riang Power Pvt. Ltd.	41,500,000	5,151,083	61,722,936	15,071,853	-	-	(34,972)	-	(34,972)	-
13.	EDCL Tawang Lower Tsachu Hydro Electric Pvt. Ltd.	40,250,000	150,983	107,127,153	66,726,170	-	-	(34,972)	-	(34,972)	-
14.	EDCL Tawang Power Pvt. Ltd.	40,250,000	147,188	112,699,065	72,301,877	-	-	(34,972)	-	(34,972)	-
15.	EDCL Tawang Upper Tsachu Hydro Electric Pvt. Ltd.	30,250,000	151,033	47,480,420	17,079,387	-	-	(34,972)	-	(34,972)	-
16.	Eastern Ramganga Valley Hydel Projects Co. Pvt. Ltd.	100,000	(98,852)	125,037,572	125,036,424	-	-	(32,972)	-	(32,972)	-
17.	Sarju Valley Hydel Projects Co. Pvt. Ltd.	100,000	(98,852)	71,386,637	71,385,489	-	-	(32,972)	-	(32,972)	-

**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.

Amount in ₹

Particulars	Sale of Electricity		Contract Division		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Revenue :</b>						
External sales *	142,000,912	223,018,013	371,567,098	427,116,551	513,568,010	650,134,564
<b>Result :</b>						
Segments	43,009,822	127,284,045	41,350,230	12,246,858	84,360,052	139,530,903
Less : Interest and Finance Charges					105,877,929	115,408,729
Less : Other common expenses (net)					3,084,611	(66,400,489)
Total Profit Before Tax					(24,602,488)	90,522,663
Provisions For Tax					(53,879,980)	18,883,865
Profit After Tax					29,277,492	71,638,798
Segments Assets	2,975,747,897	2,245,439,973	385,016,437	301,741,540	3,360,764,334	2,547,181,513
Unallocable Corporate Assets					1,326,443,412	1,508,383,584
<b>TOTAL</b>					4,687,207,746	4,055,565,097
Segments Liabilities	2,145,182,280	1,337,169,323	143,314,912	219,115,107	2,288,497,192	1,556,284,430
Unallocable Corporate Liabilities					2,398,710,554	2,499,280,667
<b>TOTAL</b>					4,687,207,746	4,055,565,097

\* 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****EARNINGS PER SHARE (EPS) :**

Particulars	2012-13 (₹)	2011-12 (₹)
Basic and Diluted Earnings per share has been computed as under :		
(a) Profit/ (loss) after tax for the year	29,277,492	71,638,798
(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, fully paid up)	1.06	2.61

**NOTE 30****COMPARATIVES**

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

As per our Report of even date

For **Lodha & Co.**

Chartered Accountants

Sd/- **H S Jha**

Partner

Place : Kolkata

Date : 14th May, 2013

**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/- **Vijoy Kumar**, Director

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



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	For the year ended 31.03.2013		For the year ended 31.03.2012	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>A) Cash Flow From Operating Activities :</b>				
Profit/ (Loss) before taxation		(24,602,488)		90,522,663
<b>Adjustments for :</b>				
Depreciation	65,477,142		62,616,830	
Amortisation of Stores, Spares & Tools	309,064		309,911	
Interest & Finance Charges	105,877,929		115,408,729	
(Profit)/Loss on Sale of Fixed Assets(Net)	(105,862)		(8,800)	
(Profit)/Loss on Sale of Investments (Net)	-		(20,996)	
Interest Received	(34,974,124)		(97,402,208)	
Irrecoverable Balances Written-off	-		342,562	
Liability no longer required written back	(12,584)		(886,270)	
Provision for bad and doubtful debt	21,641,427	158,212,992	21,641,427	102,001,185
<b>Operating Profit before Working Capital Changes</b>		133,610,504		192,523,848
<b>Adjustments for :</b>				
(Increase)/Decrease in Inventory		3,000,490		(26,810,396)
(Increase)/Decrease in Trade and Other receivables		104,776,551		(56,212,507)
Increase/(Decrease) in Trade and Other payables		(39,654,821)		64,493,620
<b>Cash generated from operations</b>		201,732,724		173,994,565
Direct Taxes paid (Net of refund)		(15,185,719)		(28,586,754)
<b>Net Cash Flow from Operating Activities</b>		186,547,005		145,407,811
<b>B) Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets		(27,000,491)		(13,968,221)
Sale of Fixed Assets		220,001		9,475,817
Capital Work In Progress		(717,785,618)		(1,050,379,187)
Sale of Investments		-		110,000
Interest Received		32,039,882		97,419,364
<b>Net Cash Flow from Investing Activities</b>		(712,526,226)		(957,342,227)
<b>C) Cash Flow from Financing Activities</b>				
Proceeds from / (repayments) of borrowings		695,332,193		444,697,508
Interest & Finance Charges		(90,637,570)		(9,808,028)
Proceeds from allotment of Cumulative Redeemable Preference Share Capital		-		335,000,000
Dividend Paid		(33,000,000)		(27,500,000)
Dividend Distribution Tax Paid		(5,353,425)		(4,461,188)
<b>Net Cash flow from Financing Activities</b>		566,341,198		737,928,293
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		40,361,977		(74,006,124)
<b>Cash and Cash equivalents at the beginning of the year</b>		57,665,527		131,671,651
<b>Cash and Cash equivalents at the end of the year</b>		98,027,504		57,665,527

### Notes :

- 1) Cash and Bank Balance as on 31.03.2013 includes ₹ 46,523,580/- (Previous Year ₹ 46,497,619/-) 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 & Co.**

Chartered Accountants

Sd/- **H S Jha**

Partner

Place : Kolkata

Date : 14th May, 2013

**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/- **Vijoy Kumar**, Director

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

[TEAR HERE]



# 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 18th 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 Thursday, the  
12th day of September, 2013 at 11:45 A.M. and at any adjournment thereof.

In witness whereof I/We have signed on this .....day of .....2013.

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.*

-[TEAR HERE]-

[TEAR HERE]



# 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 18th 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 Thursday,  
the 12th day of September, 2013 at 11:45 A.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



**ENERGY  
DEVELOPMENT  
COMPANY LTD.**

EDCL HOUSE  
1A, ELGIN ROAD  
KOLKATA - 700 020  
TEL : 033-3053 4983 / 4990  
FAX : 033 - 2290 3298  
e-mail : edclcal@edclgroup.com  
website : www.edclgroup.com


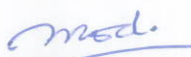


Date : 16<sup>th</sup> August, 2013

The Secretary  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001

Dear Sir,

Re : Compliance with Clause 31(a) of the Listing Agreement.

FORM A

1.	Name of the Company	Energy Development Company Limited
2.	Annual financial statement for the year ended	31st March, 2013
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Whether appeared first time..... / repetitive ..... / since how long period ..... : NOT APPLICABLE
5.	To be signed by-	
	 (CEO / Managing Director)	 (Chief Financial Officer)
	 (Auditor of the Company)	 (Audit Committee Chairman)

