

**Independent Auditors' Report
To The Members of Eastern India Powertech Limited
Report on the Financial Statements**

We have audited the accompanying financial statements of **Eastern India Powertech Limited** ("the Company"), which comprises the balance sheet as at 31st March, 2016, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 35.d that in the case of ASEB, there are disputes with regard to certain claims like income tax, interest receivables, additional capital cost, deemed generation etc. which the company had made in accordance with the PPA terms. These matters were referred to Assam Electricity Regulatory Commission (AERC) for adjudication thereof. The AERC had issued order for period 2008-09 up to 2012-2013 but the same was challenged in the Appellate Tribunal by ASEB. The Appellate Tribunal (AT) dismissed the appeal of ASEB and upheld the tariff order as issued by AERC for the period 2008-09 vide its order dated 12.08.2014 and directed State Commission to determine the tariff for the period subsequent to 2009-10. The company has sent its claim to ASEB for the period 2008-09 to 2014-15, ASEB paid Rs. 900 lacs for 2008-09 during the year. The order reduced the income for the year 2008-09 on account of fixed and variable charges by an amount of Rs.645.50 lacs. The effect of the same has not been adjusted in the financial statements as on 31st March, 2016 as the matter has been remanded back to AERC. None of the parties has preferred any appeal against the order passed by AT.

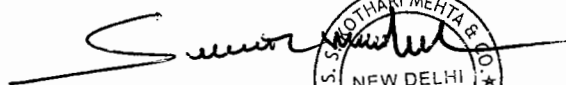
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. S. Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N


Sunil Wahal
Partner
Membership No: 087294



Place: New Delhi
Date: 28.04.2016

Annexure A to the Independent Auditor's Report to the members of Eastern India Powertech Limited dated 28.04.2016

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The title deed of immovable property is held in the name of the company.
- (ii) (a) The inventories of the Company have been physically verified by the management during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) The Company has granted secured loans to a director covered in the register maintained under section 189 of the Companies Act, 2013, security is to be provided to the company. Apart from this loan, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. With respect to the said loans, we have to state that:
- (a) In our opinion the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- (b) The schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular;
- (c) Since there is no amount overdue as on the date, the relevant reporting is not applicable;
- (iv) As per the information and explanation given to us and on the basis of our examination of the records, the company does not have any loans, investments, guarantees and security under Section 185 and 186 of the Companies Act, 2013.
- (v) As the Company has not accepted deposits, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are not applicable. Neither an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, nor is any proceeding pending before such authority.



(vi) We have broadly reviewed the books of account relating to materials, labor and other items of cost maintained by the Company as specified by the Central Government of India under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and as per the books and records examined by us, there are no dues of Custom Duty, Excise Duty, Service Tax and Cess which have not been deposited on account of any dispute, except the following in respect of disputed Income Tax and Sales Tax along with the forum where dispute is pending:

Name of the statute	Nature of dues	Year to which amount pertains	Forum	Amount Rs in lacs
Income Tax Act, 1961	Income Tax	Assessment year 2005-06 to 2009-10	Hon'ble High Court, Delhi	70.39 *
Central Sales Tax Act, 1956	Central Sales Tax	Financial year 1991-92 to 1996-97	Sales Tax Tribunal Cuttack, Orissa,	31.09**

*Net of amount deposited of Rs. 1005.64 lacs

** Net of amount deposited of Rs. 12.50 lacs

(viii) According to the information and explanations given to us and as per the books and records examined by us, the company does not have any dues payable to any financial institutions, banks and debenture holders;

(ix) In our opinion and on the basis of information and explanations given to us, the company has not raised any monies by way of initial public offer or further public offer or term loan during the financial year, hence the related reporting requirement of the Order are not applicable;

(x) In our opinion and on the basis of information and explanations given to us, no cases of fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year;

(xi) According to the information and explanations given to us, the managerial remuneration has been paid and provided in accordance with the requisite approvals as mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013;

(xii) As the Company is not a Nidhi Company, hence clause (xii) of the Order is not applicable to the Company;



- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, as applicable and the details have been disclosed in these financial statements as required by the applicable accounting standards;
- (xiv) As the company has not made any preferential allotment and private placement of shares or fully & partly convertible debentures during the year under review, the requirement of section 42 of the Companies Act, 2013 are not applicable.
- (xv) In our opinion and on the basis of information and explanations given to us, the company has not entered into non-cash transactions with directors and persons connected with him. Hence, the provisions of section 192 of Companies Act, 2013 are not applicable.
- (xvi) In our opinion and on the basis of information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;

**For S. S. Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N**

**Sunil Wahal
Partner**

Membership No: 087294



**Place: New Delhi
Date: 28.04.2016**

Annexure B to the Independent Auditor's Report to the members of Eastern India Powertech Limited dated 28.04.2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of **Eastern India Powertech Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For S. S. Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N

Sunil Wahal
Partner

Membership No: 087294



Place: New Delhi
Date: 28.04.2016

Eastern India Powertech Limited
Balance sheet as at 31st March 2016

		(Amount in lacs)	
	Note	As at 31 March 2016 ₹	As at 31 March 2015 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	6,932.00	6,932.00
Reserves and surplus	4	6,382.74	7,555.10
Total shareholders funds		13,314.74	14,487.10
Non - current liabilities			
Long - term provisions	5	15.24	29.62
Current liabilities			
Short - term borrowings	6	58,731.88	51,333.88
Trade payables	7	2,692.11	2,752.80
Other current liabilities	8	7,469.71	6,678.99
Short - term provisions	9	66.72	54.40
Total current liabilities		68,960.43	60,820.07
TOTAL		82,290.41	75,336.80
ASSETS			
Non - current assets			
Fixed assets			
Tangible assets	10	2,308.26	2,443.52
Intangible assets	10	0.65	0.83
Deferred tax assets (net)	11	21.59	28.96
Long - term loans and advances	12	1,572.22	1,928.50
Other non - current assets	13	278.92	266.63
Total non - current assets		4,181.64	4,668.44
Current assets			
Inventories	14	639.98	646.51
Trade receivables	15	75,647.48	68,492.10
Cash and bank balances	16	280.71	181.68
Short - term loans and advances	17	242.30	49.77
Other current assets	18	1,298.30	1,298.30
Total current assets		78,108.77	70,668.36
TOTAL		82,290.41	75,336.80
Significant Accounting Policies	2		

The accompanying notes form an integral part of these financial statements

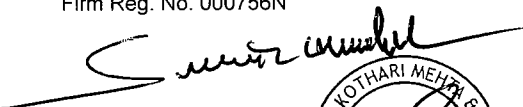
As per our report of even date

For and on behalf of Board of Directors

For **S.S. KOTHARI MEHTA & CO.**

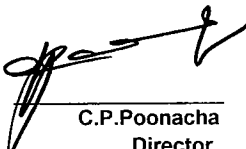
Chartered Accountants

Firm Reg. No. 000756N

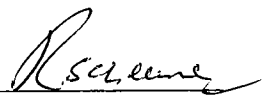

Sunil Wahal
Partner
Membership No. 087294

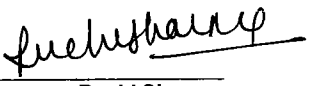


Place: New Delhi
Date: 28.04.2016


C.P. Poonacha
Director
DIN No. 00074337


Ram Kumar
Chief Financial Officer


R.S. Cheema
Managing Director
DIN No. 00074191


Ruchi Sharma
Company Secretary

Eastern India Powertech Limited
Statement of profit and loss for the year ended 31st March 2016

	Note	(Amount in lacs)	
		For the year ended 31 March 2016 ₹	For the year ended 31 March 2015 ₹
Revenue			
Revenue from operations	22	8,072.40	8,399.85
Other income	23	74.15	14.05
Total revenue		8,146.54	8,413.90
Expenses			
Power & fuel		17.73	481.82
Employee benefit expenses	24	507.59	707.58
Finance cost	25	7,741.84	6,572.32
Depreciation and amortization expenses	26	131.68	498.08
Other expenses	27	912.69	1,070.95
Total expenses		9,311.53	9,330.75
Loss before tax		(1,164.99)	(916.85)
Tax expense :			
Current tax		-	-
Deferred tax	11	(7.37)	(7.20)
Loss after tax		(1,172.36)	(924.05)
Earnings per equity share	28		
Basic (Rs. per share)		(1.69)	(1.33)
Diluted (Rs. per share)		(1.69)	(1.33)
Significant Accounting Policies	2		

The accompanying notes form an integral part of these financial statements

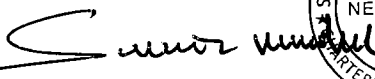
As per our report of even date

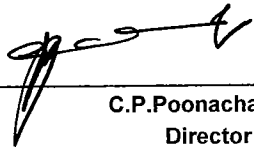
For and on behalf of Board of Directors

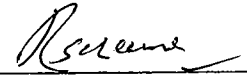
For **S.S. KOTHARI MEHTA & CO.**

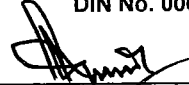
Chartered Accountants
Firm Reg. No. 000756N

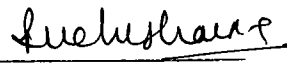



Sunil Wahal
Partner
Membership No. 087294


C.P. Poonacha
Director
DIN No. 00074337


R.S. Cheema
Managing Director
DIN No. 00074191


Ram Kumar
Chief Financial Officer


Ruchi Sharma
Company Secretary

Place: New Delhi
Date: 28.04.2016