

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HINDUSTAN VIDYUT CORPORATION LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **HINDUSTAN VIDYUT CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 these standalone 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 standalone 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 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 standalone financial statements.

Basis for Qualified Opinion

We refer to note no.13 regarding the present status of Barsingsar power project being implemented by the Company. The Implementation Agreement was made ineffective by the Government of Rajasthan. The matter was referred to arbitration which vide its order dated 2nd January, 2007 awarded a sum of Rs.1,140.33 lacs to the Company. The Government of Rajasthan had filed objections with District Judge, Jaipur which is rejected and arbitration award has been upheld by the court. Government of Rajasthan has filed an appeal with Hon'ble High Court of Rajasthan at Jaipur. The matter being under litigation, we are unable to comment on the realisation of the project expenditure pending allocation amounting to Rs.1,183.58 lacs (including Rs.35.86 lacs relating to Bina project, transferred to the company in earlier year as part of overall growth strategy of the Company)

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matter discussed in the basis for qualified opinion paragraph, the aforesaid standalone 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 cash flows for the year ended on that date.


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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone 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 does not have any pending litigations except as mentioned in note no. 13 regarding arbitration between company and Government of Rajasthan.
 - ii. The Company has no material foreseeable losses on long-term contracts including derivative contracts;
 - iii. No amount is required to be transferred to the Investor Education and Protection Fund by the Company.

For KSMN & Company
Chartered Accountants
Firm's Registration No. 001075N


Praveen Kumar Verma
Partner
Membership No. 504686

Place of Signature:
Date: 29th July, 2016

Annexure A to the Independent Auditor's Report to the members of HINDUSTAN VIDYUT CORPORATION LIMITED dated 29th July, 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 is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property.
- (ii) As the Company does not have any inventory, this clause is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence this clause is not applicable.
- (iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees or securities, wherever transacted and applicable.
- (v) The Company has not accepted any deposits and hence 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, 2013 and the rules framed hereunder are not applicable.
- (vi) According to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013. Therefore, the provision is not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There are no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax, that have not been deposited on account of any dispute.
- (viii) The Company has no loans or borrowing from a financial institution, bank, Government or dues to debenture holders.
- (ix) No money has been raised by way of initial public offer or further public offer (including debt instruments) and term loans.



(x) No fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year;

(xi) The company has not paid or provided for managerial remuneration. Hence, the related provisions are not applicable.

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

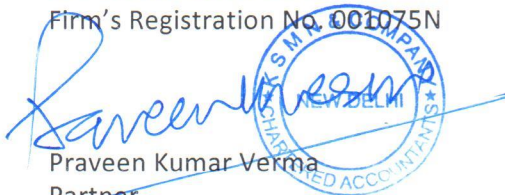
(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, as applicable and the details have been disclosed in these Financial Statements as required by the applicable accounting standards;

(xiv) The Company has not made any preferential allotment or private placement of shares or fully & partly convertible debentures during the year under review. The requirement of section 42 of the Companies Act, 2013 need not be complied with.

(xv) The Company has not entered into non-cash transactions with directors and persons connected with him. In this respect, the provisions of section 192 of Companies Act, 2013 need not be complied with;

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For KSMN & Company
Chartered Accountants
Firm's Registration No. 001075N


Praveen Kumar Verma
Partner

Membership No. 504686

Place of Signature:

Date: 29th July, 2016

Annexure B to the Independent Auditor's Report to the members of HINDUSTAN VIDYUT CORPORATION LIMITED dated 29th July 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 HINDUSTAN VIDYUT CORPORATION LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone 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 authorisations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the 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 KSMN & Company
Chartered Accountants

Firm's Registration No. 001075N

Praveen Kumar Verma
Partner

Membership No. 504686



Place of Signature:

Date: 29th July, 2016

HINDUSTHAN VIDYUT CORPORATION LIMITED
CIN No. U74899WB1995PLC205541
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2016

I. Corporate Overview

The Company was formed for setting up a power plant. The Company has not yet commenced any business activities.

I.1. SIGNIFICANT ACCOUNTING POLICIES

- a. The financial statements have been prepared to comply in all material respects with the Accounting Standards (AS) notified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared under the historical cost convention, on the basis of going concern and on an accrual basis except as stated otherwise.
- b. All expenses to the extent considered payable, unless specifically stated to be otherwise, are accounted for on accrual basis.
- c. Expenditure relating to setting up of the Project has been shown under 'Capital work in progress- preoperative expenditure pending allocation in Note 5' and would be capitalised with the relevant fixed assets after the project commences commercial production.
- d. Accounting Policies unless specifically stated to be otherwise, are consistent and in consonance with generally accepted accounting principles.
- e. All the assets and liabilities are classified as current or noncurrent as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act 2013. Based on the nature of services provided and time gap between the rendering of services and their realization in cash and cash equivalents, the company has ascertained its normal operating cycle as 12 Months for the purpose of current and noncurrent classification of assets and liabilities.
- f. Depreciation has been provided on Straight Line Method at the rates prescribed under the Electricity Act, 2003 (erstwhile Electricity [Supply] Act, 1948).
- g. Provision involving substantial degree of estimate in measurement and recognised when there is a present obligation as a result of past events and it is probable that there will be an out flow of resources. Contingent liabilities are not recognised but are disclosed in the notes to accounts. Contingent assets are neither recognised nor disclosed in the financial statements.
- h. Borrowings cost that are attributable to the acquisition or construction of Qualifying Assets is considered as part of the cost of such assets. A Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other Borrowings cost are charged to the profit & Loss account as incurred.
- i. Cash flow Statement is prepared in accordance with the Indirect Method of cash flow statement as prescribed in "Accounting Standard-3". The Cash Flows from Operating, Financing and Investing activities of the Company are segregated.



HINDUSTHAN VIDYUT CORPORATION LIMITED
CIN No. U74899DL1995PLC070422
BALANCE SHEET AS AT MARCH 31, 2016

PARTICULARS	Note	As at March 31, 2016 (Rs.)	As at March 31, 2015 (Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
Share Capital	2	14,015,200	14,015,200
(2) Current Liabilities			
Other Current Liabilities	3	107,039,214	107,030,187
TOTAL		<u>121,054,414</u>	<u>121,045,387</u>
II. ASSETS			
(1) Non-Current Assets			
(A) Fixed Assets			
(i) Tangible Assets	4	27,926	33,706
(ii) Capital Work in Progress-Preoperative Expenditure Pending Allocation	5	118,358,876	118,297,832
(B) Long -Term Loans and Advances	6	2,500,000	2,500,000
(2) Current assets			
Cash and Cash Equivalents	7	167,612	213,849
TOTAL		<u>121,054,414</u>	<u>121,045,387</u>
Notes forming part of Financial Statements	1-21		

As per our report of even date

For KSMN & Company

Chartered Accountants

FRN: 001075N

Praveen Kumar Verma

Partner

Membership No. 504686

Place:

Date: The 29th day of July, 2016

For and on behalf of the Board of Directors

L. K. RUNGTA

Director

DIN No. 02512399

R. P. MODY

Director

DIN No. 00140503

HINDUSTHAN VIDYUT CORPORATION LIMITED
CIN No. U74899DL1995PLC070422
Notes to Financial Statements for the year ended 31st March, 2016

	As at March 31, 2016 (Rs.)	As at March 31, 2015 (Rs.)
NOTE NO : 2		
SHARE CAPITAL		
Authorised		
2,00,00,000 (Previous Year 2,00,00,000) Equity Shares of Rs. 10 each	200,000,000	200,000,000
Issued, Subscribed and Paid up		
14,01,520 (Previous Year 14,01,520) Equity Shares of Rs. 10 each fully paid up	14,015,200	14,015,200
	14,015,200	14,015,200

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	in `	No. of Shares	in `
At the beginning of the year	1,401,520	14,015,200	1,401,520	14,015,200
Issued During the year	-	-	-	-
Outstanding at the end of the year	1,401,520	14,015,200	1,401,520	14,015,200

b. Rights, preferences and restrictions attached to the shares

Each Equity share has face value of Rs.10/- and carries one vote in the member meeting of the company.

There are no restrictions and no special rights attached to the equity shares.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of preferential amounts, if any.

c. Shares held by holding company

Particulars	in `	
	As at 31st March, 2016	As at 31st March, 2015
Hindusthan Engineering & Industries Limited, the Holding Company and its nominees.		
14,01,520 equity shares of ` . 10 each fully paid (Previous Year 14,01,520 equity shares of ` . 10 each fully paid)	14,015,200	14,015,200

d. Details of shareholders holding more than 5% shares in the company

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity Shares of ` . 10 each fully paid				
Hindusthan Engineering & Industries Limited, the Holding Company and its nominees.	1,401,520	100%	1,401,520	100%
	1,401,520	100%	1,401,520	100%

NOTE NO : 3

CURRENT LIABILITIES

Other Current Liabilities

HEI Expenses Imprest	80,099,891	80,091,091
Collaborators	26,921,848	26,921,848
Other Payables	17,475	17,248
	107,039,214	107,030,187



HINDUSTHAN VIDYUT CORPORATION LIMITED

CIN No. U74899DL1995PLC070422

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

NOTE NO : 4

FIXED ASSETS

	Tangible Assets	Total
	Computers & Office Equipments	
Gross Block		
At April 1, 2013	577,550	577,550
Addition	-	-
Sales/Adjustment/ Transfer	-	-
As at March 31, 2014	577,550	577,550
Additions	-	-
Sales/Adjustment/ Transfer	-	-
As At March 31, 2015	577,550	577,550
Additions	-	-
Sales/Adjustment/ Transfer	-	-
As At March 31, 2016	577,550	577,550
Accumulated Depreciation		
as at April 1, 2013	532,284	532,284
Charge for the year	5,780	5,780
As at March 31, 2014	538,064	538,064
charge for the year	5,780	5,780
Deletions / Adjustments	-	-
As At March 31, 2015	543,844	543,844
charge for the year	5,780	5,780
Deletions / Adjustments	-	-
As At March 31, 2016	549,624	549,624
Net Block		
As at March 31, 2016	27,926	27,926
As at March 31, 2015	33,706	33,706



HINDUSTHAN VIDYUT CORPORATION LIMITED

CIN No. U74899DL1995PLC070422

Notes to Financial Statements for the year ended 31st March, 2016

	As at March 31, 2016 (Rs.)	For the year (Rs.)	As at March 31, 2015 (Rs.)
NOTE NO : 5			
CAPITAL WORK IN PROGRESS-PREOPERATIVE EXPENDITURE PENDING ALLOCATION			
Advertisement & Publicity	370,732		370,732
Auditors' Remuneration	235,832	15,000	220,832
Bank Charges	29,817	194	29,623
Bank Guarantee Commission	11,226,665		11,226,665
Books & Periodicals	871,228		871,228
Custom Duty Paid	18,500		18,500
Depreciation	5,503,704	5,780	5,497,924
Directors' Sitting Fees	213,000	11,000	202,000
Fees & Subscription	21,259,406	9,733	21,249,673
Filing Fee	508,998	5,564	503,434
General Charges	733,244	-	733,244
Insurance Premium	172,879		172,879
Interest on Loan	406,882		406,882
Legal & Professional Charges	1,148,753		1,148,753
Loss on discard of fixed assets	1,729,188		1,729,188
Postage & Telegram	270,019	40	269,979
Power, Fuel & Water	2,454,545		2,454,545
Rent, Rates & Taxes	12,095,751	6,300	12,089,451
Repair & Maintenance	3,975,478		3,975,478
Stationery & Printing	996,363		996,363
Salaries & Welfare	25,069,009		25,069,009
Service Tax Paid	98,924	4,786	94,138
Travelling & Conveyance	20,109,408	2,647	20,106,761
Telephone & Trunkcall	5,662,169		5,662,169
Vehicle Upkeep	3,036,667		3,036,667
Preliminary Expenses Written off	165,175		165,175
Liability no longer required writtenback	(3,460)		(3,460)
	118,358,876	61,044	118,297,832

NON -CURRENT ASSETS

NOTE NO : 6

LONG-TERM LOANS AND ADVANCES

Unsecured, considered good
Security deposits

2,500,000	-	2,500,000
2,500,000	-	2,500,000

CURRENT ASSETS

NOTE NO : 7

CASH AND CASH EQUIVALENTS

Balances with banks on current account
Cash in hand

160,494		213,578
7,118		271
167,612		213,849



HINDUSTHAN VIDYUT CORPORATION LIMITED
CIN No. U74899WB1995PLC205541
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2016

8. During the period the company has no employees on its roll. Accordingly, provisions of Accounting Standard 15 "Employees Benefit" are not applicable.

9. The company does not have more than one reportable segment in accordance with the principle outlined in Accounting Standard (AS 17) "Segment Reporting". The disclosures requirements on segment reporting are not applicable.

10. The Company is yet to commence operations and does not prepare Statement of Profit & Loss, the requirement of Accounting Standard (AS 20) "Earning Per Share" is not applicable. However, the necessary details of Capital Work in Progress Pre-operative Expenditure pending allocation have been disclosed in Note No-5.

11. There are no adjustments on account of deferred tax liability or deferred tax assets in respect of current as well as earlier year since the company is yet to commence its commercial operations.

12. Disclosure of Related Parties / Related Party Transactions:-

(A) Name of Related parties and description of relationship :

Parties	Relationship
Hindusthan Engineering & Industries Ltd.	Holding Co.
Shri Rajendra Prasad Mody	Director
Shri Murari Lal Birmiwala (ceases to be a director w.e.f. 09.11.2015)	Director
Shri Subhash Madan (ceases to be a director w.e.f. 09.11.2015)	Director
Shri Laxmi Kant Rungta (appointed w.e.f. 01.08.2015)	Director
Shri Shyamal Dutt (appointed w.e.f. 01.08.2015)	Director

(B) Disclosure of Related Party Transactions during the year :

Name of the Party	Transaction during the year		Amount Outstanding	
	2015-16	2014-15	2015-16	2014-15
<u>Advances/Security Deposit taken</u>				
Hindusthan Engineering & Industries Ltd.	8,800	1,71,905	8,00,99,891	8,00,91,091
	-----	-----	-----	-----
	8,800	1,71,905	8,00,99,891	8,00,91,091
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<u>Directors Sitting fees</u>				
Shri R.P.Mody	4,000	2,000	Nil	Nil
Shri M.L.Birmiwala	2,000	4,000	Nil	Nil
Shri S.Madan	1,000	4,000	Nil	Nil
Shri L.K. Rungta	2,000	-	Nil	Nil
Shri S.Dutt	2,000	-	Nil	Nil
	-----	-----		
	11,000	10,000		
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HINDUSTHAN VIDYUT CORPORATION LIMITED
CIN No. U74899WB1995PLC205541
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2016

13. The Company was awarded the aforesaid Integrated Lignite Mining-cum-Power Generation Project through International Competitive Bidding by Government of Rajasthan (GOR) in 1996. Necessary Implementation Agreement and Power Purchase Agreement were signed by the Company with the concerned Authorities. The Company obtained all the approvals required by making all out efforts and incurring huge expenses. However, even after a period of 4 years, GOR was unable to give the Mining Lease Approval, which is an essential pre-requisite for setting up the plant as Mining was an integral part of the project as per tender conditions. This failure on the part of GOR halted the project and nothing could move further. GOR, thereafter, declared the Implementation Agreement ineffective. The matter was referred to arbitration between the Company and GOR. The Arbitral Tribunal vide its Award dated 2.1.2007, has awarded a sum of Rs.11,40,32,805/- to the company with future interest against GOR. The objections filed by GOR in the court of District Judge, Jaipur City, Jaipur have been rejected and award has been upheld by the court. GOR has filed an appeal before Hon'ble High Court of Rajasthan at Jaipur.

14. The Company's promoter company viz. Hindusthan Engineering & Industries Ltd. (HEIL) (formerly known as Hindusthan Development Corporation Ltd.(HDC) had started pre-developing the Barsingsar Lignite Mining cum Power Generation Project at Barsingsar, Distt. Bikaner, Rajasthan by early 1992 much before the date of Incorporation of the Company i.e. 3rd July, 1995. HEIL was incurring substantial expenditure since 1992 on this Project. Upto the year ending March 31, 2004, HEIL had transferred the expenditure amounting to Rs. 6,96,12,486. The details of such expenditure transferred by HEIL are as follows:

	Amount (Rs.)
Advertisement & Publicity	2,26,814
Auditors' Remuneration	-
Bank Charges	16,332
Bank Guarantee Commission	53,26,165
Books & Periodicals	7,82,886
Custom Duty Paid	-
Depreciation	-
Directors' Sitting Fees	-
Fees & Subscription	86,76,598
Filing Fee	-
General Charges	6,12,362
Insurance Premium	1,16,882
Interest on Loan	-
Legal & Professional Charges	15,000
Loss on transfer of fixed assets	-
Postage & Telegram	2,02,414
Power, Fuel & Water	17,76,580
Rent, Rates & Taxes	46,56,320
Repair & Maintenance	23,78,036
Stationery & Printing	5,77,627
Salaries & Welfare	1,91,83,788



HINDUSTHAN VIDYUT CORPORATION LIMITED
CIN No. U74899WB1995PLC205541
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2016

Travelling & Conveyance		1,75,88,293
Telephone & Trunkcall		51,01,082
Vehicle Upkeep		23,75,306
	Total	6,96,12,486

15. As disclosed by the management there is no Contingent Liability, Capital Commitment which need to be disclosed as on in the financial.

16. As disclosed by the management there is no foreign currency exposure as on the date of financial.

17. In the opinion of the management, Current Assets, Loans and Advances have a value on realisation at least equal to the amount at which they are stated in the Balance Sheet.

18. To the extent of information available with the company, there are no Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises (Development) Act, 2006.

19. Auditors Remuneration :

	Particulars	Year ended 31.03.16	Year ended 31.03.15
1.	Statutory Audit Fees	15,000	15,000
2.	Professional Fees	-	-
3.	Certification Fees	-	-

20. There are no other additional material information required to be disclosed pursuant to provision of Companies Act 2013, Schedule III of the Companies Act, 2013, Companies Accounting Standards) Rule, 2006 and other material applicable enactment, circulars, orders, notifications etc.

21. Previous year figures have been re-grouped/re-classified wherever considered necessary to facilitate comparison.

As per our report of even date

For KSMN & Company

Chartered Accountants

ERN: 001075N

Praveen Kumar Verma
PARTNER

Membership No.504686

Place:

Date: The 29th day of July, 2016

For and on behalf of the Board of Directors

L.K. Rungta
Director

DIN No.02512399

R.P. Mody

Director

DIN No.00140503

Cash Flow statement for the year ended 31st March 2016

Sl No.	Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	-	
	Adjustment for :		
	Depreciation/amortization	5,780	5,780
	Operating profit before working capital changes		
	Movements in working capital :		
	Increase/(decrease) in other current liabilities	-	
	Cash generated from / (used in) operations	5,780	5,780
	Less: Direct taxes paid (net of refunds)	-	
	Net cash flow from/ (used in) Operating Activities (A)	5,780	5,780
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
	Liabilities & Provisions	9,027	450,394
	Capital work in Progress	(61,044)	(280,552)
	Net cash flow from/(used in) Investing Activities (B)	(52,017)	169,842
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Issue of share capital	-	-
	Net cash flow from/(used in) in Financing Activities (C)	-	-
	Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)	(46,237)	175,622
	Cash and Cash Equivalents at the beginning of the year	213,849	38,227
	Cash and Cash Equivalents at the end of the year	167,612	213,849

As per our report of even date
 For KSMN & Company
 Chartered Accountants
 FRN: 001075N

Praveen Kumar Verma
 Partner

Membership No. 504686
 Place:

Date: The 29th day of July, 2016



L. KARUNGA
 Director
 DIN No.02512399

R. P. MODY
 Director
 DIN No.00140503