

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PAPU HYDROPOWER PROJECTS LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying financial statements of **PAPU HYDROPOWER PROJECTS LIMITED** ("the Company"), which comprise the Balance Sheet as at March, 31, 2015, 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 Standalone Financial Statements

2. 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 to 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

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.
7. 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

8. 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 March, 31, 2015, and its loss and its cash flows for the year ended on that date.

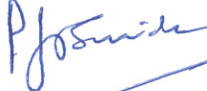
Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. As required by Section 143 (3) of the Act, we report that:
- 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.
 - 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.
 - 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.
 - 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.
 - On the basis of the written representations received from the directors as on March, 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March, 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - 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 knowledge and belief and according to the information and explanations given to us:
 - The Company does not have any pending litigations as at March, 31, 2015 which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts as at March, 31, 2015.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March, 31, 2015



Kolkata
Dated: 19th May, 2015

For Batliboi, Purohit & Darbari
Chartered Accountants
Firm Registration Number: 303086E


(CA P J Bhide)
Partner
Membership Number 004714

Annexure to Independent Auditors' Report

Referred to in paragraph 8 of the Independent Auditors' Report of even date to the members of Papu Hydropower Projects Limited on the financial statements as of and for the year ended March, 31, 2015

- i. (a) The Company does not have any fixed assets and accordingly the provisions of Clause 3(i) of the said Order are not applicable to the Company.
- ii. The Company does not have any inventory and accordingly the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted / taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- 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 regular in depositing the undisputed statutory dues in respect of provident fund and income tax and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax which have not been deposited on account of any dispute.
(c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. As the Company is registered for a period less than five years, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- xi. The Company has not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.



Annexure to Independent Auditors' Report

Referred to in paragraph 8 of the Independent Auditors' Report of even date to the members of Papu Hydropower Projects Limited on the financial statements for the year ended March, 31, 2015
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- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Batliboi, Purohit & Darbari
Chartered Accountants
Firm Registration Number: 303086E



A handwritten signature in blue ink, appearing to read "P. J. Bhide".

(CA P J Bhide)
Partner
Membership Number 004714

Kolkata
May 19th, 2015

Papu Hydropower Projects Limited

Registered Office: 605-606 Bhikaji Cama Bhavan, 11, Bhikaji Cama Place, Sixth Floor, New Delhi - 110066.

Balance Sheet as at 31st March, 2015

Particulars	Note No.	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2.1	282,06,150	182,06,150
Reserves and Surplus	2.2	(200,25,597)	(162,11,859)
Current liabilities			
Other Current Liabilities	2.3	57,76,188	28,090
TOTAL		139,56,741	20,22,381
II. ASSETS			
Non-current assets			
Fixed Assets			
Capital Work in Progress	2.4	39,36,749	-
Current assets			
Cash and bank balances	2.5	100,19,992	20,22,381
TOTAL		139,56,741	20,22,381

Significant Accounting Policies

1

Notes 1 - 2.12 form an integral part of the Accounts.

This is the Balance Sheet referred to in our Report of even date.

For Batliboi, Purohit & Darbari
Firm Registration Number:303086E
Chartered Accountants



CA P J Bhide
Partner
Membership.No. 004714



For and on behalf of the Board of Directors



Director



Director

Place: Kolkata
Date: 19th May, 2015

Papu Hydropower Projects Limited

Registered Office: 605-606 Bhikaji Cama Bhavan, 11, Bhikaji Cama Place, Sixth Floor, New Delhi - 110066.

Statement of Profit and Loss for the year ended 31st March, 2015

Particulars	Note No.	2014-15 Rs.	2013-14 Rs.
Revenue		-	-
Expenses			
Other expenses	2.6	38,13,738	66,280
		<u>38,13,738</u>	<u>66,280</u>
Loss for the Year		<u>(38,13,738)</u>	<u>(66,280)</u>
Earnings per equity share (Face value of Rs. 10 per share) Basic and Diluted	2.10	(2.09)	(311.47)
Significant Accounting Policies	1		
Notes 1 - 2.12 form an integral part of the Accounts.			

This is the Statement of Profit and Loss referred to in our report of even date.

For Batliboi, Purohit & Darbari
Firm Registration Number:303086E
Chartered Accountants



CA P J Bhide
Partner
Membership.No. 004714



For and on behalf of the Board of Directors


Director
Director

Place: Kolkata
Date: 19th May, 2015

Papu Hydropower Projects Limited

Registered Office: 605-606 Bhikaji Cama Bhavan, 11, Bhikaji Cama Place, Sixth Floor, New Delhi - 110066.

Cash Flow Statement for the year ended 31st March ,2015

	2014-15	2013-14
	(Rs.)	(Rs.)
A. Cash Flow from Operating Activities		
(Loss) before taxation for the year/period	(38,13,738)	(66,280)
Operating Loss before Working Capital Changes	(38,13,738)	(66,280)
Adjustment for:		
Receivables		
Payables	57,48,098	(4,11,339)
Net Cash Flow from/used in Operating Activities	19,34,360	(4,77,619)
B. Cash Flow from Investing Activities		
Increase in Capital Work in Progress	(39,36,749)	-
(Purchase)/Sale of Fixed Assets	-	-
Net Cash used in Investing Activities	(39,36,749)	-
C. Cash Flow from Financing Activities		
Issue of Equity Share Capital	100,00,000	-
Advance against Equity Shares received/(refunded)		
Increase/(Decrease) in Short Term Borrowings		(2,08,489)
Net Cash Flow from Financing Activities	100,00,000	-2,08,489
Net Increase/(Decrease) of Cash and Cash Equivalents	79,97,611	(6,86,108)
Cash and Cash Equivalents - Opening Balance	20,22,381	27,08,489
Cash and Cash Equivalents - Closing Balance	100,19,992	20,22,381

Notes:

1 The Cash Flow Statement has been prepared under the indirect method as given in the Accounting Standard on Cash Flow Statement (AS-3) as per Companies (Accounting Standard) Rules, 2006.

2 Previous period's figures have been regrouped/rearranged wherever necessary

This is the Cash Flow Statement referred to in our Report of even date.

For Batliboi, Purohit & Darbari
Firm Registration Number:303086E
Chartered Accountants

P. J. Bhide

CA P J Bhide
Partner
Membership.No. 004714



For and on behalf of the Board of Directors

[Signature]

Director

[Signature]

Director

Place: Kolkata
Date: 19th May, 2015

Papu Hydropower Projects Limited

Registered Office: 605-606 Bhikaji Cama Bhavan, 11, Bhikaji Cama Place, Sixth Floor, New Delhi - 110066

1. Significant Accounting Policies

i) Accounting Convention

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting standard) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non-current classification of assets and liabilities.

ii) Expenditure During Construction

Company has been set up to develop Power projects and is yet to commence commercial production. Indirect expenses, which are not directly related to the project, have been charged off to the Statement of Profit and Loss. Expenses that are directly related to the project and incidental thereto are disclosed under Capital Work in Progress and are to be capitalized subsequently.

iii) Taxes on Income

Current Tax is determined as the amount of tax payable in respect of Taxable Income for the year in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax is recognized, subject to consideration of prudence, on timing difference, being the difference between Taxable Income and Accounting Income, which originate in one period and are capable of reversal in one or more subsequent year as per Accounting Standard AS-22. Deferred tax assets are not recognized unless there is reasonable certainty and in case of brought forward loss and unabsorbed depreciation there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.



Papu Hydropower Projects Limited

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Note - 2.1 : Share Capital

Particulars	As at	As at
	31st March, 2015 Rs.	31st March, 2014 Rs.
Authorised Share Capital		
5,000,000 (Previous Year:5,000,000) Equity Shares of Rs 10/- each	500,00,000	500,00,000
Issued, Subscribed and Paid up capital		
28,20,615 (Previous Year: 18,20,615) Equity Shares of Rs 10/- each, fully paid up	282,06,150	182,06,150
	282,06,150	182,06,150

(a) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10/- per share. Each holder of equity is entitled to one vote per share. The Company has not declared any dividend to its shareholders since inception. In the event of liquidation of the Company the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Details of shareholders holding more than 5 % shares in the Company

Name of shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	%	No. of shares	%
CESC Limited	28,20,615	100	18,20,615	100

CESC Limited is also the Holding Company of Papu Hydropower Projects Limited and percentage of shares held is stated above.

(c) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	Rs.	No. of shares	Rs.
Opening balance at the beginning of the year	18,20,615	182,06,150	50,000	5,00,000
Add:Equity shares issued during the year	10,00,000	100,00,000	17,70,615	177,06,150
Shares outstanding at the end of the year	28,20,615	282,06,150	18,20,615	182,06,150

Note - 2.2 : Reserves and Surplus

Particulars	As at	As at
	31st March, 2015 Rs.	31st March, 2014 Rs.
Surplus in the Profit and Loss Statement	(162,11,859)	(161,45,579)
Debit balance at the beginning of the year	(38,13,738)	(66,280)
Add: Loss for the year		
Debit balance at the end of the year	(200,25,597)	(162,11,859)



Papu Hydropower Projects Limited

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- Note - 2.3: Other Current Liabilities

Particulars	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Tax deducted at source	9,408	-
Audit Fee Payable	25,281	28,090
Filing Fee Payable	-	-
Other Payable	57,41,499	-
	57,76,188	28,090

There is no amount due to Micro and Small Enterprises as referred in the Micro, Small and Medium Enterprise Development Act, 2006 based on the information available with the Company.



Papu Hydropower Projects Limited

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Note 2.4: Capital Work in Progress

Particulars	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Expenditure During Construction Pending Capitalisation	39,36,749	-
	39,36,749	-

Note 2.5: Cash and bank balances

Particulars	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Cash and Cash equivalents		
Balance with Schedule Banks in Current Account	100,19,992	20,22,381
	100,19,992	20,22,381



Papu Hydropower Projects Limited

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Note 2.6 : Other Expenses

Particulars	2014-15 Rs.	2013-14 Rs.
Travelling Expenses	1,01,759	-
Professional Fees	36,78,942	36,212
Filing Fee	4,800	1,311
Auditor's Remuneration	28,090	28,090
Miscellaneous Expenses	147	667
	38,13,738	66,280



Papu Hydropower Projects Limited

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Note 2.7

Since the Company has incurred loss during the year, no provision for taxation has been made in the accounts.

Note 2.8

The Company is engaged in the business of development of Power Projects and does not operate in any other reportable segment

Note 2.9

The Company has not made any Foreign Currency Transaction during the financial year.

Note 2.10 Earnings per Share (EPS)

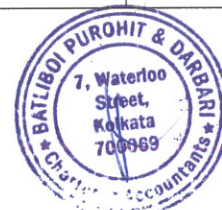
Computation of Earnings per share

Particulars		2014-15	2013-14
Loss attributable to Equity Shareholders (Rs.)	(A)	(38,13,738)	(66,280)
Weighted Average Nos. of Equity Shares for Earnings per share for Basic EPS	(B)	18,23,355	54,851
Basic Earnings Per Share of Rs 10/-=[(A)/(B)] (RS)		(2.09)	(1.21)

Note 2.11 Related Party Disclosures

2.11.1. Related Parties and their Relationships for the year ended 31st March, 2015

Name of Related Parties	Nature of Relationship
CESC Limited	Holding Company
Spencer's Retail Limited, CESC Properties Limited, Metromark Green Commodities Pvt. Ltd., Music World Retail Limited, Au Bon Pain Café India Limited, Nalanda Power Company Limited, Dhariwal Infrastructure Ltd, Haldia Energy Ltd, CESC Infrastructure Ltd, Surya Vidyut Limited, Bantal Singapore Pte.Ltd , CESC Projects Limited, Pachi Hydropower Projects Limited, Spenliq Private Limited, Firstsource Solutions Limited, Firstsource Group USA, Inc., Firstsource BPO Ireland Ltd. ,Firstsource Solutions UK Ltd., Anunta Tech Infrastructure Services Ltd., Firstsource-Dialog Solutions Pvt. Ltd., MedAssist Holding, LLC., Firstsource Business Process Services, LLC Firstsource Solutions S.A. (Argentina), Firstsource Solutions USA, LLC, Firstsource Advantage, LLC ,Firstsource Transaction Services, LLC , One Advantage LLC, USA, Sheesham Commercial Private Limited, Water Hyacinth Commosale Private Limited, Wigeon Commotrade Private Limited, Crescent Power Limited, Ranchi Power Distribution Company Limited.	Fellow Subsidiary Companies



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2.11.2 Details of transaction between the company and related parties for the year ended on 31.03.15 are given as under:

Type of Transaction	Holding Company	
	31.03.2015	31.03.2014
Issue of Fully paid up Equity Shares	100,00,000	177,06,150
Expenses Payable	57,41,499	-
Outstanding Balance		
--Debit	-	-
--Credit	57,41,499	-

Note 2.12

Previous year figures have been re-classified/regrouped wherever necessary.


For Batliboi, Purohit & Darbari
Firm Registration Number - 303086E
Chartered Accountants



CA P J Bhide
Membership. No. 004714



For and on behalf of the Board



Director Director

Place: Kolkata
Date: 19th May, 2015.