

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Balance Sheet as at 31st March, 2021**

(Rs. in Lakhs)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	5	16.05	20.93
(b) Deferred Tax Assets (Net)	6	2.54	3.55
(c) Non Current Tax Assets (Net)	7	0.09	0.09
<b>Total Non Current Assets</b>		<b>18.68</b>	<b>24.57</b>
<b>(2) Current Assets</b>			
(a) Financial Assets			
(i) Trade Receivables	8	4.41	4.41
(ii) Cash and Cash Equivalents	9	0.59	0.59
<b>Total Current Assets</b>		<b>5.00</b>	<b>5.00</b>
<b>TOTAL ASSETS</b>		<b>23.68</b>	<b>29.57</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	10	101.00	101.00
(b) Other Equity	11	(103.32)	(95.37)
<b>TOTAL EQUITY</b>		<b>(2.32)</b>	<b>5.63</b>
<b>LIABILITIES</b>			
<b>(1) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	15.18	13.55
<b>Total Non Current Liabilities</b>		<b>15.18</b>	<b>13.55</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables			
Total outstanding dues of Micro enterprises and Small Enterprises	13	-	-
Total outstanding dues of creditors other than Micro enterprises and Small Enterprises		1.16	0.75
(ii) Other Financial Liabilities	14	9.64	9.64
(b) Other Current Liabilities	15	0.02	-
<b>Total Current Liabilities</b>		<b>10.82</b>	<b>10.39</b>
<b>TOTAL LIABILITIES</b>		<b>26.00</b>	<b>23.94</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23.68</b>	<b>29.57</b>

Accompanying notes to Financial Statements

1 - 27

These notes form an integral part of the financial statements

As per our Report of even date

**For A L P S & CO.**

Chartered Accountants

Firm's Registration No.: 313132E

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

**A. K. Khetawat**

**Partner**

Membership No.: 052751

Place: Kolkata

Date: 30th June 2021

**Sd/-**

**Satyendra Pal Singh**

**Director**

DIN: 01055370

Place: New Delhi

Date: 30th June 2021

**Sd/-**

**Pankaja Kumari Singh**

**Director**

DIN: 00199454

Place: New Delhi

Date: 30th June 2021

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended 31st March,2021**

(Rs. in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>(A) TOTAL INCOME</b>		-	-
<b>EXPENSES</b>			
Finance Costs	16	1.63	1.45
Depreciation and Amortisation Expense	17	4.86	6.39
Other Expenses	18	0.45	0.51
<b>(B) TOTAL EXPENSES</b>		<b>6.94</b>	<b>8.35</b>
<b>(C) Loss before tax (A - B)</b>		<b>(6.94)</b>	<b>(8.35)</b>
<b>Tax Expense</b>			
(1) Current Tax	19	-	-
(2) Deferred Tax - charge/(credit)		1.01	(0.11)
<b>(D) Total Tax Expense (1 + 2)</b>		<b>1.01</b>	<b>(0.11)</b>
<b>(E) Loss for the year (C - D)</b>		<b>(7.95)</b>	<b>(8.24)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
i. Items that will not be reclassified to profit or loss		-	-
ii. Income tax relating to above		-	-
<b>(F) Total Other Comprehensive Income for the year (net of tax)</b>		-	-
<b>(G) Total Comprehensive Income for the year (Comprising loss and Other Comprehensive Income for the year) (E + F)</b>		<b>(7.95)</b>	<b>(8.24)</b>
Earnings per equity share (Face value of Rs. 10 each fully paid up)			
Basic and Diluted	20	(0.79)	(0.82)

Accompanying notes to Financial Statements  
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**Director**

DIN: 00199454

Place: New Delhi

Date: 30th June 2021

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Statement of Changes in Equity for the year ended 31st March, 2021**

**(i) Equity Share Capital**

(Rs. in Lakhs)

Particulars	Amount
<b>As at 31st March, 2019</b>	<b>101.00</b>
Movement during the year	-
<b>As at 31st March, 2020</b>	<b>101.00</b>
Movement during the year	-
<b>As at 31st March, 2021</b>	<b>101.00</b>

**(ii) Other Equity**

(Rs. in Lakhs)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
<b>As at 31st March, 2019</b>	<b>(87.13)</b>	<b>(87.13)</b>
Loss for the year	(8.24)	(8.24)
Other Comprehensive Income for the year	-	-
<b>Total Comprehensive Income for the year</b>	<b>(8.24)</b>	<b>(8.24)</b>
<b>As at 31st March, 2020</b>	<b>(95.37)</b>	<b>(95.37)</b>
Loss for the year	(7.95)	(7.95)
Other Comprehensive Income for the year	-	-
<b>Total Comprehensive Income for the year</b>	<b>(7.95)</b>	<b>(7.95)</b>
<b>As at 31st March, 2021</b>	<b>(103.32)</b>	<b>(103.32)</b>

Accompanying notes to financial statements 1 - 27  
 These notes form an integral part of the financial statements

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 Date: 30th June 2021

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**Satyendra Pal Singh**  
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 DIN: 01055370  
 Place: New Delhi  
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**Pankaja Kumari Singh**  
**Director**  
 DIN: 00199454  
 Place: New Delhi  
 Date: 30th June 2021

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
Cash Flow Statement for the year ended 31st March, 2021

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
<b>(A) Cash Flow From Operating Activities</b>				
<b>Net loss before tax</b>		<b>(6.94)</b>		<b>(8.35)</b>
<b>Adjustments for:</b>				
Interest and Finance Charges	1.63		1.45	
Depreciation and amortisation expense	4.86	6.49	6.39	7.84
<b>Operating Loss before Working Capital Changes</b>		<b>(0.45)</b>		<b>(0.51)</b>
<b>Movement in working capital</b>				
Increase/(Decrease) in Trade and other payables	0.45	0.45	0.43	0.43
<b>Cash utilised in operations</b>		<b>0.00</b>		<b>(0.09)</b>
Direct Taxes paid (Net of refund)		-		-
<b>Net Cash utilised in Operating Activities (A)</b>		<b>0.00</b>		<b>(0.09)</b>
<b>B) Cash Flow from Investing Activities</b>				
<b>Net Cash generated from/(utilised in) Investing Activities (B)</b>		-		-
<b>C) Cash Flow from Financing Activities</b>				
<b>Net Cash generated from/(utilised in) Financing Activities (C)</b>		-		-
<b>Net changes in Cash and Cash Equivalents (A + B + C)</b>		<b>0.00</b>		<b>(0.08)</b>
Cash and Cash equivalents as at the beginning of the year		0.59		0.67
<b>Cash and Cash equivalents as at the end of the year</b>		<b>0.59</b>		<b>0.59</b>

**Notes:**

(1) The above Cash Flow Statement has been prepared by the "Indirect Method" as set out in the Indian Accounting Standard 7 "Statement of Cash Flows"

(2) Cash and cash equivalents as at the Balance Sheet date consists of:

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance with Banks in Current Accounts	0.59	0.59
<b>Total</b>	<b>0.59</b>	<b>0.59</b>

3) Change in Company's liabilities arising from financing activities:

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	Cash flows(*)	Non-Cash Flows	As at 31st March, 2021
<b>Borrowings - Non Current</b>				
Loan from Holding Company	13.55	-	1.63	15.18
<b>Interest accrued and due on borrowings</b>				
Related Parties	9.64	-	-	9.64
<b>Total</b>	<b>23.19</b>		<b>1.63</b>	<b>24.82</b>

(\*)Includes cash flows on account of both principal and interest.

(Rs. in Lakhs)

Particulars	As at 31st March, 2019	Cash flows(*)	Non-Cash Flows	As at 31st March, 2020
<b>Borrowings - Non Current</b>				
Loan from Holding Company	21.68	-	(8.13)	13.55
<b>Interest accrued and due on borrowings</b>				
Related Parties	9.64	-	-	9.64
<b>Total</b>	<b>31.32</b>	-	<b>(8.13)</b>	<b>23.19</b>

(\*)Includes cash flows on account of both principal and interest.

Accompanying notes to Financial Statements  
These notes form an integral part of the financial statements

1 - 27

As per our Report of even date

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**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021**

**Note 1 – Corporate Information**

EDCL Arunachal Hydro Project Private Limited (“the Company”) is a private limited company domiciled and incorporated in India under the provisions of Companies Act. The registered office of the company is at at EDCL HOUSE 1A, Elgin Road, Kolkata, West Bengal – 700020.

**Note 2 – Statement of Compliance and Recent Pronouncements**

**2.1 Statement of Compliance**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the “Ind AS”) as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 (“the Act”). The Ind AS issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements.

**2.2 Application of new and revised standards**

The accounting policies are applied consistently to all the periods presented in the financial statements except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use.

Effective 1<sup>st</sup> April, 2020, there were certain amendments in Ind AS vide Companies (Indian Accounting Standards) Amendment Rules, 2020 notifying amendment to existing Ind AS 1 ‘Presentation of Financial Statements’, Ind AS 8 ‘Accounting Policies, Changes in Estimates and Errors’, Ind AS 10 ‘Events after the Reporting Period’, Ind AS 34 ‘Interim Financial Reporting’, Ind AS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’, Ind AS 103 ‘Business Combinations’, Ind AS 107 ‘Financial Instruments: Disclosures’, Ind AS 109 ‘Financial Instruments’, Ind AS 116 ‘Leases’.

Ind AS 1 has been modified to redefine the term ‘Material’ and consequential amendments have been made in Ind AS 8, Ind AS 10, Ind AS 34 and Ind AS 37.

Ind AS 103 dealing with ‘Business Combination’ has defined the term ‘Business’ to determine whether a transaction or event is a business combination. Amendment to Ind AS 107 and 109 relate to hedging relationship directly affected by Interest Rate Benchmark reforms. The amendment among other things requires an entity to assume that Interest Rate Benchmark on which hedged cash flows are based is not altered as a result of Interest Rate Benchmark reforms.

Ind AS 116 dealing with ‘Leases’ permitted lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications.

Revision in these standards did not have any material impact on the profit/loss and earning per share for the year.

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021**

### **2.3 Recent Pronouncements**

#### **Standards issued but not yet effective**

The Ministry of Corporate Affairs (MCA) vide Notification dated 18<sup>th</sup> June, 2021 has issued new Companies (Indian Accounting Standard) Amendment Rules, 2021 in consultation with the National Financial Reporting Authority (NFRA). The notification states that these rules shall be applicable with immediate effect from the date of the notification.

**a. Ind AS 8 | Accounting Policies, Changes in Accounting Estimates and Errors** – In order to maintain consistency with the amendments made in Ind AS 114 and to substitute the word 'Framework' with the 'Conceptual Framework of Financial Reporting (Conceptual Framework) under Indian Accounting Standard (Ind AS) issued by the Institute of Chartered Accountants of India (ICAI), respective changes have been made in the standard.

**b. Ind AS 16 | Property, Plant and Equipment** –The amendment has been made by substituting the words "Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use" with "Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use".

**c. Ind AS 37 | Provisions, Contingent Liabilities and Contingent Assets** – The amendment substitutes the definition of the term 'Liability' as provided in the Conceptual Framework under Ind AS issued by ICAI.

**d. Ind AS 38 | Intangible Assets** – The amendment substitutes the definition of the term 'Asset' as provided in the Conceptual Framework under Ind AS issued by ICAI.

**e. Ind AS 107 | Financial Instruments: Recognition, Presentation and Disclosure** – The amendment clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform like

- the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;
- the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.

**f. Ind AS 109 | Financial Instruments** – The amendment provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortised cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

**g. Ind AS 115 | Revenue from Contracts with Customers** – Certain amendments have been made in order to maintain consistency with number of paragraphs of IFRS 15.

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021**

**h. Ind AS 116 | Leases** – The amendments extend the benefits of the COVID 19 related rent concession that were introduced last year (which allowed lessees to recognize COVID 19 related rent concessions as income rather than as lease modification) from 30<sup>th</sup> June, 2021 to 30<sup>th</sup> June, 2022.

**Note 3 – Significant Accounting Policies**

**3.1 Basis of preparation**

The Financial Statements have been prepared under the historical cost convention on accrual basis except certain financial instruments that are measured in terms of relevant Ind AS at fair value/amortised costs at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind AS 1 "Presentation of Financial Statements" and in Division II of Schedule III to the Companies Act, 2013. Having regard to the nature of business being carried out by the Company, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates. Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal Lakhs except otherwise stated.

**3.2 Measurement of Fair Values**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

**Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

**Level 3:** Inputs for the assets or liabilities which are not based on observable market data (unobservable inputs).

For Financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments.

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021**

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant observable and unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

### **3.3 Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost which comprise its purchase price and any cost of bringing the assets to its working condition for its intended use. In case of construction/erection of property, plant and equipment, 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 machinery, spares, interest and pre-operative expenses.

Pre-operative 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 PPE on completion of its construction / erection. Interest on borrowing 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.

Subsequent cost are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

#### **Depreciation**

Depreciation on all assets has been provided on written down value method at the rates and in the manner specified in Schedule II to the Companies Act, 2013.

Based on above, the estimated useful lives of various assets have been arrived as follows:

<b>Category of PPE</b>	<b>Useful life (in years)</b>
Plant and Equipment	12
Furniture and Fixtures	10
Office equipment	6
Vehicles	8

The residual value of an item of Property, Plant and Equipment has been kept at  $\leq 5\%$  of the cost of the respective assets.

Depreciation methods, useful lives and residual values are reviewed and adjusted as appropriate, at the end of each reporting date.



**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021**

### **3.4 Derecognition of Tangible Assets**

An item of Tangible Asset is de-recognised upon disposal or when no future economic benefits are expected to arise from its continued use. Any gain or loss arising on the disposal or retirement of an item of Tangible Asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

### **3.5 Impairment of Tangible Assets**

Tangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost to disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

### **3.6 Financial Instruments – Financial assets and Financial liabilities**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within twelve months or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortised Cost, at Fair Value through Profit and Loss (referred to as "FVTPL") or at Fair Value Through Other Comprehensive Income (referred to as "FVTOCI") depends on the objective and contractual terms to which they relate. Classification of financial instruments is determined on initial recognition.

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021**

**(i) Cash and Cash equivalents**

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash and cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

**(ii) Financial Assets and Financial Liabilities measured at amortised cost**

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortised cost using Effective Interest Rate (referred to as "EIR") method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**(iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

**(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.**

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021**

**(v) Financial Assets or Liabilities at Fair value through profit and loss (FVTPL)**

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit and loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

**(vi) Impairment of financial assets**

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset. The Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to twelve month expected credit losses.

Loss allowances for financial assets measured at amortised costs are deducted from the gross carrying amount of the assets.

**(vii) Derecognition of financial instruments**

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the assets carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to retained earnings.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021**

### **3.7 Equity Share Capital**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

### **3.8 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

### **3.9 Revenue Recognition**

#### **Revenue from Operations**

Revenue is measured based on the consideration that is specified in the contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over the products or services to a customer.

#### **Other Income**

##### **Interest Income**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021**

**3.10 Borrowing Cost**

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment which is capitalized to the cost of the related assets. A qualifying PPE is an asset that necessarily takes a substantial period of time to get ready for its intended use.

**3.11 Taxes on income**

Income tax expense representing the sum of current tax expense and the net charge of the deferred taxes is recognized in the profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

**Current Tax**

Current tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Advance tax and provisions are presented in the balance sheet after setting off advance tax paid and income tax provision for the current year.

Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income.

**Deferred Tax**

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit as well as for unused tax losses or credits. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Deferred Tax Asset & Liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities & where deferred tax assets & liabilities relate to income tax levied by the same taxation authority.

Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited to the profit and loss, except when it relates to items credited or charged directly to other comprehensive income in equity, in which case the corresponding deferred tax is also recognized directly in equity.

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The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

### **3.12 Earnings per share**

Basic Earnings per share is calculated by dividing the net profit/loss for the year by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed using the net profit/loss for the year and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

### **3.13 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **Note 4 - Critical accounting judgments, assumptions and key sources of estimation and uncertainty**

The preparation of the financial statements in conformity with the recognition and measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised prospectively. Actual results may differ from these estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

The application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

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**4.1 Depreciation and impairment loss on property, plant and equipment**

Depreciation on all assets has been provided on written down value method at the rates and in the manner specified in Schedule II to the Companies Act, 2013. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation to be recorded during any reporting period. This reassessment may result in change in such expenses in future periods.

The company reviews its carrying value of its Tangible Assets whenever there is objective evidence that the assets are impaired. In such situation assets recoverable amount is estimated which is higher of assets or its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflects the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted.

**4.2 Impairment allowances on financial assets**

The Company evaluates whether there is any objective evidence that financial asset including trade and other receivables are impaired and determines the amount of impairment allowance as a result of the inability of the concerned parties to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables, historical write-off experience and these factors are subject to variations leading to consequential impact on the amounts considered in the financial statements.

**4.3 Current Tax and Deferred Tax**

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

The extent to which deferred tax assets can be recognised is based on the assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic benefits.

**4.4 Provisions and Contingencies**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Notes to Financial Statements as at 31st March, 2021**

**5 Property, Plant and Equipment**

(Rs. in Lakhs)

Sl. No.	Particulars	Furniture and Fixtures	Motor Vehicles	Office Equipment	Plant and Equipment	Total
<b>1</b>	<b>Gross Carrying Amount</b>					
	<b>As at 31st March, 2019</b>	<b>8.82</b>	<b>0.57</b>	<b>5.08</b>	<b>47.46</b>	<b>61.93</b>
	Additions	-	-	-	-	-
	Disposals/Adjustments	-	-	-	-	-
	<b>As at 31st March, 2020</b>	<b>8.82</b>	<b>0.57</b>	<b>5.08</b>	<b>47.46</b>	<b>61.93</b>
	Additions	-	-	-	-	-
	Disposals/Adjustments	-	-	-	-	-
	<b>As at 31st March, 2021</b>	<b>8.82</b>	<b>0.57</b>	<b>5.08</b>	<b>47.46</b>	<b>61.93</b>
<b>2</b>	<b>Accumulated Depreciation</b>					
	<b>As at 31st March, 2019</b>	<b>5.24</b>	<b>0.39</b>	<b>3.96</b>	<b>25.05</b>	<b>34.63</b>
	Charge during the year	0.93	0.06	0.44	4.96	6.39
	Disposals/Adjustments	-	-	-	-	-
	<b>As at 31st March, 2020</b>	<b>6.16</b>	<b>0.44</b>	<b>4.40</b>	<b>30.01</b>	<b>41.02</b>
	Charge during the year	0.69	0.04	0.27	3.86	4.86
	Disposals/Adjustments	-	-	-	-	-
	<b>As at 31st March, 2021</b>	<b>6.85</b>	<b>0.48</b>	<b>4.67</b>	<b>33.87</b>	<b>45.88</b>
<b>3</b>	<b>Net Carrying Amount (1-2)</b>					
	<b>As at 31st March, 2020</b>	<b>2.65</b>	<b>0.13</b>	<b>0.68</b>	<b>17.45</b>	<b>20.93</b>
	<b>As at 31st March, 2021</b>	<b>1.96</b>	<b>0.09</b>	<b>0.41</b>	<b>13.59</b>	<b>16.05</b>



**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Notes to Financial Statements as at 31st March, 2021**

**6 Deferred Tax Assets (Net)**

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred Tax Assets (Net) (Refer Note 6.1)	2.54	3.55
<b>Total</b>	<b>2.54</b>	<b>3.55</b>

**6.1 Components of Deferred Tax Assets/(Liabilities) are as follows:**

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	Charge/(Credit) recognised in Profit and Loss	Charge/(Credit) recognised in OCI	As at 31st March, 2021
<b>(A) Deferred Tax Assets</b>				
Timing difference with respect to Property, Plant and Equipment	3.17	0.15	-	3.02
Effect of fair valuation of financial instruments	0.38	0.86	-	(0.48)
<b>Total Deferred Tax Assets (A)</b>	<b>3.55</b>	<b>1.01</b>	<b>-</b>	<b>2.54</b>
<b>Total Deferred Tax Liabilities (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax Assets (Net) (A - B)</b>	<b>3.55</b>	<b>1.01</b>	<b>-</b>	<b>2.54</b>

(Rs. in Lakhs)

Particulars	As at 1st April, 2019	Charge/(Credit) recognised in Profit and Loss	Charge/(Credit) recognised in OCI	As at 31st March, 2020
<b>(A) Deferred Tax Assets</b>				
Timing difference with respect to Property, Plant and Equipment	2.93	(0.24)	-	3.17
Effect of fair valuation of financial instruments	0.51	0.13	-	0.38
<b>Total Deferred Tax Assets (A)</b>	<b>3.44</b>	<b>(0.11)</b>	<b>-</b>	<b>3.55</b>
<b>Total Deferred Tax Liabilities (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax Assets (Net) (A - B)</b>	<b>3.44</b>	<b>(0.11)</b>	<b>-</b>	<b>3.55</b>

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
Notes to Financial Statements as at 31st March, 2021

**7 Non Current Tax Assets (Net)**

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Tax Deducted at Source	0.09	0.09
<b>Total</b>	<b>0.09</b>	<b>0.09</b>

**8 Trade Receivables**

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>At Amortised Cost</b>		
Unsecured, considered good (Refer Note 8.1)	4.41	4.41
<b>Total</b>	<b>4.41</b>	<b>4.41</b>

**8.1 Ageing analysis of Trade Receivables is as follows:**

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Within Credit period	-	-
1-180 days past due	-	-
More than 180 days past due	4.41	4.41
<b>Total</b>	<b>4.41</b>	<b>4.41</b>

**9 Cash and Cash Equivalents**

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance with Banks in Current Accounts	0.59	0.59
<b>Total</b>	<b>0.59</b>	<b>0.59</b>

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Notes to Financial Statements as at 31st March, 2021

**10 Equity Share Capital**

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Authorised</b>		
11,00,000 (31st March, 2020 - 11,00,000) Equity shares of Rs. 10 each	110.00	110.00
<b>Total</b>	<b>110.00</b>	<b>110.00</b>
<b>Issued, Subscribed and Paid up</b>		
10,10,000 (31st March, 2020 - 10,10,000) Equity shares of Rs.10 each fully paid up	101.00	101.00
<b>Total</b>	<b>101.00</b>	<b>101.00</b>

**10.1** 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. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company.

**10.2 Reconciliation of outstanding number of Equity Shares**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>At the beginning of the year</b>	<b>10,10,000</b>	<b>10,10,000</b>
Movement during the year	-	-
<b>At the end of the year</b>	<b>10,10,000</b>	<b>10,10,000</b>

**10.3 Shareholders holding more than 5% of shares**

Entire Equity Shares are held by the Holding Company "Energy Development Company Limited".

**11 Other Equity**

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Retained Earnings (Refer Note 11.2)	(103.32)	(95.37)
<b>Total</b>	<b>(103.32)</b>	<b>(95.37)</b>

**11.1** Refer Statement of Changes in Equity for movement in balances of reserves.

**Nature and purpose of reserves:**

**11.2 Retained Earnings**

Retained Earnings generally represents the undistributed profit/ amount of accumulated earnings of the Company.

**12 Borrowings - Non Current**

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>At Amortised Cost</b>		
<b>Unsecured</b>		
<b>From Related Party</b>		
Holding Company [Refer Note 22(B)(1)]	15.18	13.55
<b>Total</b>	<b>15.18</b>	<b>13.55</b>

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
Notes to Financial Statements as at 31st March, 2021

**13 Trade Payables**

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>At Amortised Cost</b>		
<b>Payable for Goods and Services</b>		
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 13.1)	-	-
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises (Refer Note 13.2)	1.16	0.75
<b>Total</b>	<b>1.16</b>	<b>0.75</b>

**13.1** The company has not 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.

**13.2** Includes Rs. 0.63 Lakhs (31st March, 2020 - Rs. 0.44 Lakhs) payable to Holding Company [Refer Note 22(B)(1)]

**14 Other Financial Liabilities - Current**

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>At Amortised Cost</b>		
Interest accrued and due on borrowings [Refer Note 22(B)(11)]	9.64	9.64
<b>Total</b>	<b>9.64</b>	<b>9.64</b>

**15 Other Current Liabilities**

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Statutory Dues (includes TDS)	0.02	-
<b>Total</b>	<b>0.02</b>	<b>-</b>

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2021**

**16 Finance Costs**

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest Expense on Borrowings [Refer Note 22(B)(1)]	1.63	1.45
<b>Total</b>	<b>1.63</b>	<b>1.45</b>

**17 Depreciation and Amortisation Expense**

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Depreciation of Property, Plant and Equipment (Refer Note 5)	4.86	6.39
<b>Total</b>	<b>4.86</b>	<b>6.39</b>

**18 Other Expenses**

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Rates and Taxes	0.05	0.10
Professional Charges	0.19	0.21
Payment to Auditor	0.20	0.20
Statutory Audit	0.01	0.00
Miscellaneous Expenses	0.01	0.00
<b>Total</b>	<b>0.45</b>	<b>0.51</b>

**19 Components of Tax Expense**

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Current Tax</b>	-	-
In respect of the current year	-	-
<b>Total Current tax expense recognised in the current year</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax</b>	1.01	(0.11)
In respect of the current year	1.01	(0.11)
<b>Total Deferred tax charge/(credit) recognised in the current year</b>	<b>1.01</b>	<b>(0.11)</b>
<b>Total Tax expense/(credit) recognised in the current year</b>	<b>1.01</b>	<b>(0.11)</b>

**19.1 Reconciliation of Income tax expense for the year with accounting profit is as follows:**

In the absence of taxable profits during the year ended 31st March, 2021 and 31st March, 2020, reconciliation of income tax expense has not been provided for the same.

**19.1.1** In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by the Government of India through Taxation Laws (Amendment) Ordinance, 2019, Company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of accumulated MAT credit. The Company has not exercised this option and continues to recognise the taxes on income for the year ended 31st March, 2021 as per the existing provisions.

**20 Earnings per share**

(Amount in Rs. except otherwise stated)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Net Profit/(Loss) for the year	(7.95)	(8.23,639.56)
Weighted Average Number of Equity Shares issued (Number)	10,10,000	10,10,000
Basic and Diluted Earnings per Share (Face Value Rs. 10 per share, fully paid up)	(0.79)	(0.82)

**21 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Segment manager who allocates resources and assess the operating activities, financial results, forecasts, or plans for the segment.

The Company has not commenced any activity and accordingly, there are no operating segments required to be disclosed as per Ind AS 108 "Operating Segments".

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
Notes to Financial Statements for the year ended 31st March, 2021

**22 Details of Related party transactions in accordance with Indian Accounting Standard 24 "Related Party Disclosures"**

**(A) Name of the Related Parties and their relationship with the Company:**

Relationship with the Company	Name of the Related Parties
(i) Holding Company	Energy Development Company Limited
(ii) Fellow Subsidiaries through the Holding Company	EDCL Power Projects Limited
(iii) Key Managerial Personnel (KMP) and their relatives	Ayyappa Hydro Power Limited Eastern Ramganga Valley Hydel Projects Company Sariu Valley Hydel Projects Company Private Limited
(iv) Individuals having significant influence directly or indirectly ( Promoter and their relatives )	Pankaja Kumari Singh (Non Executive Director) Satyendra Pal Singh (Non Executive Director) Abhijit Banerjee (Non Executive Director)
(v) Enterprise over which individuals mentioned in (iv) above exercises significant influence	Amar Singh (ceased to be Promoter and Non Executive Director w.e.f. 1st August, 2020) Pankaja Kumari Singh (relative of Promoter) Startrack Vinimay Private Limited Sarvottam Caps Private Limited Chekoplax (India) Private Limited

**(B) Details of Transactions with Related Parties during the year and the Balances outstanding thereof as at the Balance Sheet date are as follows:**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest expense	1.63	1.45
Expenses incurred by the party on behalf of the company	0.19	0.44

(Rs. in Lakhs)

**(ii) Balances outstanding as at the Balance Sheet date**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured Loans (Borrowings - Non Current)	15.18	13.55
Trade Payables	0.63	0.44

(Rs. in Lakhs)

**(II) Details of transactions with company under significant influence of Promoters and their relatives**

- (i) Transactions during the year  
There are no transactions with company under significant influence of Promoters and their relatives during the year ended 31st March, 2021 and 31st March, 2020.
- (ii) Balances outstanding as at the Balance Sheet date

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest accrued and due on borrowings (Other Financial Liabilities - Current)	9.64	9.64

**Notes:**

- 1 The above Related Party information is as identified by the Management and relied upon by the auditor.
- 2 In respect of above parties, no amount has been written back during the year for debts due to them.
- 3 All transactions from related parties are made in the ordinary course of business.

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Notes to Financial Statements for the Year ended 31st March, 2021**

**23 Capital Management**

The Company follows a capital management strategy. The primary objective is to ensure that Company maintains a healthy capital ratio in order to support its business operations, have sufficient financial flexibility for borrowing requirements, if any, in future and to maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders.

The Company also uses gearing ratio to monitor capital. Gearing ratio is net debt divided by total capital. The gearing ratios are as follows:

**Gearing Ratio**

<b>Particulars</b>	<b>(Rs. in Lakhs)</b>	
	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Total Borrowings</b>	<b>15.18</b>	<b>13.55</b>
Less: Cash and Cash Equivalents	0.59	0.59
<b>Net Debt (A)</b>	<b>14.59</b>	<b>12.96</b>
Total Equity	(2.32)	5.63
Total Equity and Net Debt (B)	12.27	18.59
<b>Gearing Ratio (A/B)</b>	<b>1.19</b>	<b>0.70</b>

**24 Disclosure on Financial Instruments**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contains financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3.6 to the financial statements.

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Notes to Financial Statements for the Year ended 31st March, 2021**

**(A) Fair Value Measurement**

The following table shows the carrying amount and fair values of financial assets and liabilities by category:

<b>(Rs. in Lakhs)</b>		
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Measured at Amortised Cost</b>		
<b>Financial Assets (Current)</b>		
Trade Receivables	4.41	4.41
Cash and Cash Equivalents	0.59	0.59
<b>Total Financial Assets</b>	<b>5.00</b>	<b>5.00</b>

<b>(Rs. in Lakhs)</b>		
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Measured at Amortised Cost</b>		
<b>Financial Liabilities (Non Current)</b>		
Borrowings	15.18	13.55
<b>Total (a)</b>	<b>15.18</b>	<b>13.55</b>
<b>Financial Liabilities (Current)</b>		
Trade Payables	1.16	0.75
Interest accrued on borrowings	9.64	9.64
<b>Total (b)</b>	<b>10.80</b>	<b>10.39</b>
<b>Total Financial Liabilities (a + b)</b>	<b>25.98</b>	<b>23.94</b>



**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Notes to Financial Statements for the Year ended 31st March, 2021**

**(B) Fair Valuation Techniques**

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**The following methods and assumptions were used to estimate the fair values:**

The fair value of cash and cash equivalents, trade receivables, trade payables, other current financial liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Board considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values.

**25 Financial risk management objectives and policies**

The Company's activities expose it to the following risks:

- (a) Credit Risk
- (b) Liquidity Risk
- (c) Market Risk

**(a) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company has a policy to monitor such risk on an ongoing basis.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses, if any) represents the Company's maximum exposure to credit risk.

**Financial assets that are neither past due nor impaired**

Cash and cash equivalents with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Trade receivables disclosed include amounts that are past due at the end of the reporting period. However, no impairment losses have been provided since the same is considered recoverable.

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Notes to Financial Statements for the Year ended 31st March, 2021**

**(b) Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

<b>(Rs. in Lakhs)</b>			
<b>Particulars</b>	<b>Less than 1 year</b>	<b>1 year – 3 years</b>	<b>Total</b>
<b>As at 31st March, 2021</b>			
Loan from Holding Company	-	17.00	<b>17.00</b>
Trade Payables	1.16	-	<b>1.16</b>
Interest Accrued and due on borrowings	9.64	-	<b>9.64</b>
<b>Total</b>	<b>10.80</b>	<b>17.00</b>	<b>27.80</b>
<b>As at 31st March, 2020</b>			
Loan from Holding Company	-	17.00	<b>17.00</b>
Trade Payables	0.75	-	<b>0.75</b>
Interest Accrued and due on borrowings	9.64	-	<b>9.64</b>
<b>Total</b>	<b>10.39</b>	<b>17.00</b>	<b>27.39</b>

The Company has current financial assets which will be realised in ordinary course of business. The Company monitors its rolling forecast of its liquidity requirements to ensure it has sufficient cash to meet expected operational requirements.

The Company relies on mix of borrowings and operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

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**(c) Market Risk**

Market risk is the risk or uncertainty arising from possible market price movements resulting in fluctuation of the fair value of future cash flows of a financial instrument. The major components of Market risks are foreign currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes borrowings.

**(i) Foreign Currency Risk**

The company does not have transaction in foreign currency and accordingly it is not exposed to foreign currency risk. There are no outstanding derivative contracts as at 31st March, 2021.

**(ii) Interest Rate Risk**

The Company's debt exposure includes borrowings from Holding Company. Borrowings from Holding Company are strategic in nature and accordingly, do not carry any interest component. Hence, the Company does not have any significant exposure to interest rate risk.

**(iii) Other price risk**

The company is not exposed to any other price risk.

**26** The previous year's figures have been regrouped and rearranged wherever necessary to make them comparable with those of current year's figures.

**27** These financial statements have been approved by the Board of Directors of the Company on 30th June, 2021 for issue to the shareholders for their adoption.

As per our Report of even date

**For A L P S & CO.**

Chartered Accountants

Firm's ICAI Registration No.: 313132E

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

**A. K. Khetawat**  
**Partner**

Membership No.: 052751

Place: Kolkata

Date: 30th June,2021

**Sd/-**  
**Satyendra Pal Singh**  
**Director**

DIN: 01055370

Place: New Delhi

Date: 30th June 2021

**Sd/-**  
**Pankaja Kumari Singh**  
**Director**

DIN: 00199454

Place: New Delhi

Date: 30th June 2021