

**EDCL POWER PROJECTS 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	2,273.75	2,390.22
(b) Financial Assets			
(i) Loans	6	-	40.14
(ii) Other Financial Assets	7	21.11	20.34
(c) Non Current Tax Assets (Net)	8	2.89	2.89
(d) Deferred Tax Assets (Net)	9	336.52	295.86
(e) Other Non Current Assets	10	1.36	3.81
<b>Total Non Current Assets</b>		<b>2,635.63</b>	<b>2,753.26</b>
<b>(2) Current Assets</b>			
(a) Inventories	11	3.90	6.68
(b) Financial Assets			
(i) Trade Receivables	12	84.80	24.94
(ii) Cash and Cash Equivalents	13	30.46	12.33
(iii) Loans	14	138.11	-
(iv) Other Financial Assets	15	23.19	10.02
(c) Other Current Assets	16	10.65	8.49
<b>Total Current Assets</b>		<b>291.11</b>	<b>62.46</b>
<b>TOTAL ASSETS</b>		<b>2,926.74</b>	<b>2,815.72</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	17	375.00	375.00
(b) Other Equity	18	(749.24)	(626.23)
<b>TOTAL EQUITY</b>		<b>(374.24)</b>	<b>(251.23)</b>
<b>LIABILITIES</b>			
<b>(1) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	2,553.25	2,421.53
(b) Provisions	20	13.17	12.04
(c) Other Non Current Liabilities	21	73.21	139.72
<b>Total Non Current Liabilities</b>		<b>2,639.63</b>	<b>2,573.29</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables			
Total outstanding dues of Micro enterprises and Small Enterprises	22	-	-
Total outstanding dues of creditors other than Micro enterprises and Small Enterprises		87.52	88.45
(ii) Other Financial Liabilities	23	485.05	315.79
(b) Other Current Liabilities	24	88.74	89.38
(c) Provisions	25	0.04	0.04
<b>Total Current Liabilities</b>		<b>661.35</b>	<b>493.66</b>
<b>TOTAL LIABILITIES</b>		<b>3,300.98</b>	<b>3,066.95</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,926.74</b>	<b>2,815.72</b>

Accompanying notes to the financial statements 1 - 44  
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**

Sd/- Satyendra Pal Singh, Executive Director (DIN: 01055370)

**A. K. Khetawat**  
**Partner**  
Membership No.: 052751

Sd/- Pankaja Kumari Singh, Director (DIN: 00199454)

Place: Kolkata  
Date: 30th June, 2021

Sd/- Vinod Kumar Sharma, Director (DIN: 02879206)

Sd/- Aman Jain, Director (DIN: 08187995)

Place: New Delhi  
Date: 30th June, 2021

Sd/- Vishal Sharma, Director (DIN: 08773037)

Sd/- Prabir Goswami, Chief Financial Officer

Sd/- Richa Jain, Company Secretary

**EDCL POWER PROJECTS LIMITED**  
**Statement of Profit and Loss for the year ended 31st March, 2021**

(Rs. in Lakhs, except otherwise stated)

Sl. No.	Particulars	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(I)	Revenue from operations	26	401.00	433.09
(II)	Other Income	27	83.19	72.72
<b>(III)</b>	<b>Total Income (I + II)</b>		<b>484.19</b>	<b>505.81</b>
<b>(IV)</b>	<b>EXPENSES:</b>			
	(a) Employee Benefits Expense	28	109.06	100.65
	(b) Finance costs	29	307.23	317.64
	(c) Depreciation and Amortization Expense	30	127.57	127.72
	(d) Other Expenses	31	107.78	122.31
	<b>Total Expenses (IV)</b>		<b>651.64</b>	<b>668.32</b>
<b>(V)</b>	<b>Loss before tax (III - IV)</b>		<b>(167.45)</b>	<b>(162.51)</b>
<b>(VI)</b>	<b>Tax Expense:</b>			
	Current Tax		-	-
	Deferred tax - charge / (credit)	32	(41.03)	(507.99)
	<b>Total Tax Expense (VI)</b>		<b>(41.03)</b>	<b>(507.99)</b>
<b>(VII)</b>	<b>Profit/(Loss) for the year (V - VI)</b>		<b>(126.42)</b>	<b>345.48</b>
<b>(VIII)</b>	<b>Other Comprehensive Income</b>			
	(i) Items that will not be reclassified to profit or loss		1.41	(3.20)
	(ii) Income tax relating to above	32.2	0.37	(0.83)
	<b>Total Other Comprehensive Income for the year (net of tax) (i - ii)</b>	32A	<b>1.04</b>	<b>(2.37)</b>
<b>(IX)</b>	<b>Total Comprehensive Income for the year (comprising Profit/(Loss) and Other Comprehensive Income for the year) (VII + VIII)</b>		<b>(125.38)</b>	<b>343.11</b>
<b>(X)</b>	<b>Earnings per equity share (Face value of Rs. 10 each)</b>			
	Basic and Diluted (Rs.)	34	(3.37)	9.21

Accompanying notes to the financial statements  
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1 - 44

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**A. K. Khetawat**  
**Partner**  
Membership No.: 052751

Sd/- Pankaja Kumari Singh, Director (DIN: 00199454)

Sd/- Vinod Kumar Sharma, Director (DIN: 02879206)

Place: Kolkata  
Date: 30th June, 2021

Sd/- Aman Jain, Director (DIN: 08187995)

Sd/- Vishal Sharma, Director (DIN: 08773037)

Place: New Delhi  
Date: 30th June, 2021

Sd/- Prabir Goswami, Chief Financial Officer

Sd/- Richa Jain, Company Secretary

**EDCL POWER PROJECTS LIMITED**  
Statement of Changes in Equity for the year ended 31st March, 2021

(i) Equity Share Capital

Particulars	(Rs. in Lakhs)	
	Amount	
As at 31st March, 2019		375.00
Movement during the year		-
As at 31st March, 2020		375.00
Movement during the year		-
As at 31st March, 2021		375.00

(ii) Other Equity

Particulars	Reserves and Surplus				Total
	Capital Reserve	Capital Redemption Reserve	Deemed Equity	Retained Earnings	
As at 31st March, 2019	240.00	75.00	14.90	(1,299.23)	(969.34)
Profit for the year	-	-	-	345.48	345.48
Other Comprehensive Income for the year	-	-	-	(2.37)	(2.37)
<b>Total Comprehensive Income for the year</b>				<b>343.11</b>	<b>343.11</b>
Addition during the year	-	-	-	-	-
Adjustment on account of prepayment of loans	-	-	-	-	-
Modification gain/(loss)	-	-	-	-	-
As at 31st March, 2020	240.00	75.00	14.90	(956.13)	(626.23)
Loss for the year	-	-	-	(126.42)	(126.42)
Other Comprehensive Income for the year	-	-	-	1.04	1.04
<b>Total Comprehensive Income for the year</b>				<b>(125.38)</b>	<b>(125.38)</b>
Addition during the year	-	-	2.37	-	2.37
As at 31st March, 2021	240.00	75.00	17.27	(1,081.51)	(749.24)

Refer Note 18 for nature and purpose of reserves

Accompanying notes to the financial statements 1 - 44

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

Chartered Accountants

Firm's Registration No. : 313132E

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Sd/- Prabir Goswami, Chief Financial Officer

Sd/- Richa Jain, Company Secretary

Place: New Delhi

Date: 30th June, 2021

**EDCL POWER PROJECTS 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>				
Net Loss before tax		(167.45)		(162.51)
<b>Adjustments for:</b>				
Depreciation and amortization expense	127.57		127.72	
Interest Income	(4.23)		(2.17)	
Liabilities no Longer required written back	-		(0.46)	
Amortisation of deferred gain on fair valuation of financial instruments	(71.63)		(69.86)	
Financial Assets written off	4.22		1.07	
Interest Expense	307.23	363.16	317.64	373.94
<b>Operating Profit/(Loss) before Working Capital Changes</b>		<b>195.71</b>		<b>211.43</b>
<b>Movement in Working Capital:</b>				
(Increase)/ Decrease in Inventories	2.78		2.37	
(Increase)/ Decrease in Trade and other receivables	(71.47)		141.13	
(Decrease)/ Increase in Trade and other payables	(2.39)	(71.08)	(58.21)	85.29
<b>Cash generated in operations</b>		<b>124.63</b>		<b>296.72</b>
Direct Taxes paid (Net of refund)		0.00		-
<b>Net Cash generated from Operating Activities (A)</b>		<b>124.63</b>		<b>296.72</b>
<b>(B) Cash flow from Investing Activities</b>				
Additions to Property, Plant and Equipment	(11.10)		(2.83)	
Loan given	(100.00)		(43.00)	
Interest received	(0.00)	(111.10)	-	(45.83)
<b>Net Cash utilized in Investing Activities (B)</b>		<b>(111.10)</b>		<b>(45.83)</b>
<b>(C) Cash flow from Financing Activities</b>				
Proceeds from/(Repayment of) Borrowings (Net)	25.72		(181.66)	
Interest Paid	(21.12)	4.60	(60.00)	(241.66)
<b>Net Cash generated from/(utilized in) Financing Activities (C)</b>		<b>4.60</b>		<b>(241.66)</b>
<b>Net changes in Cash and Cash Equivalents (A + B + C)</b>		<b>18.13</b>		<b>9.23</b>
Cash and Cash equivalents as at the beginning of the year		12.33		3.10
<b>Cash and Cash equivalents as at the end of the year</b>		<b>30.46</b>		<b>12.33</b>

**Notes:**

(1) The above Cash Flow Statement has been prepared by the indirect method as set out in 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	28.80		10.69	
Cash on hand	1.66	30.46	1.64	12.33
<b>Total</b>		<b>30.46</b>		<b>12.33</b>

(3) Reconciliation of 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 (Refer Note No. 19)</b>				
Preference Shares	200.97	-	24.11	225.08
Loan from Holding Company	141.53	(77.61)	23.22	87.14
Loan from Other Bodies Corporate	2,079.03	103.33	58.67	2,241.03
<b>Deemed Equity (Refer Note No.18)</b>	14.90	-	2.37	17.27
<b>Interest accrued on borrowings (Refer Note No. 23)</b>				
Loan from Other Bodies Corporate	315.79	-	169.26	485.05
<b>Total</b>	<b>2,752.21</b>	<b>25.72</b>	<b>277.63</b>	<b>3,055.56</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 (Refer Note No. 19)</b>				
Preference Shares	179.43	-	21.54	200.97
Loan from Holding Company	323.13	(88.39)	(93.21)	141.53
Loan from Other Bodies Corporate	2,300.00	-	(220.97)	2,079.03
<b>Other Financial Liabilities - Current (Refer Note No. 23)</b>				
Loan from Holding Company	93.27	(93.27)	-	-
<b>Deemed Equity (Refer Note No.18)</b>	14.90	-	-	14.90
<b>Interest accrued on borrowings (Refer Note No. 23)</b>				
Loan from Other Bodies Corporate	209.58	(60.00)	166.21	315.79
<b>Total</b>	<b>3,120.31</b>	<b>(241.65)</b>	<b>(126.43)</b>	<b>2,752.21</b>

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

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**A. K. Khetawat**  
**Partner**  
Membership No.: 052751

Place: Kolkata  
Date: 30th June, 2021

Place: New Delhi  
Date: 30th June, 2021

**EDCL POWER PROJECTS LIMITED**  
**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021**

**Note 1 – Corporate Information**

EDCL Power Projects Limited (“the Company”) is a public 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. The company is primarily engaged in generation and sale of bulk power to electricity board.

**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 POWER PROJECTS 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.

**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

## EDCL POWER PROJECTS LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021

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.

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



## EDCL POWER PROJECTS LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021

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, interests 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 assets of generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers and cable network has been provided on straight line method over useful life as per the implementation/other agreement with the authorities. Erection and maintenance tools are depreciated over a period of five years on pro rata basis.

Other assets have been depreciated on written down value method at the rate 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:

Category of PPE	Useful life (in years)
<b>Assets attributable to Generation of electricity</b>	
Assets of generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers and cable network	30
<b>Assets other than those attributable to Generation of electricity</b>	
Plant and Equipment	5 - 12
Furniture and Fixtures	5 - 10
Office equipment	3 - 15
Vehicles	8

**EDCL POWER PROJECTS LIMITED**  
**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021**

The residual value of an item of Property, Plant and Equipment (other than those attributable to Generation of electricity) 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.

### **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 Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) Company has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) Company has the right to direct the use of the asset.

At the date of commencement of the lease, Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), low-value leases and where the agreement contain the clause for cancellation of agreement without any penalty . For these short-term, low-value or cancellable leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

### **3.6 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 either belonging to Cash Generating Unit (CGU) or otherwise 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

## **EDCL POWER PROJECTS LIMITED**

### **Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021**

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.

#### **3.7 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.

##### **(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.

## **EDCL POWER PROJECTS LIMITED**

### **Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021**

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.

#### **(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**

## **EDCL POWER PROJECTS LIMITED**

### **Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021**

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.

### **3.8 Inventories**

Inventories are valued at cost or estimated net realisable value, whichever is lower. Cost of inventory comprising stores, spares and consumables are determined applying weighted average method.

### **3.9 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.

### **3.10 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

## EDCL POWER PROJECTS LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021

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.

#### 3.11 Employee Benefits

**Short term employee benefits:** Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related service is rendered.

**Defined Contribution Plan:** Contribution to defined contribution plans such as Provident Fund etc, is being made in accordance with statute and are recognised as and when incurred.

**Defined Benefit Plan:** Contribution to defined benefit plans consisting of contribution to gratuity fund are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized immediately in the Balance Sheet with a corresponding debit or credit to Retained Earnings through Other Comprehensive Income in the period in which they occur.

**Other Long Term Employee Benefits:** Other long term employee benefits consisting of Leave Encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gains and losses are recognised in Other Comprehensive Income.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

#### 3.12 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.

##### Sale of Power

Generally, revenue in respect of sale of electricity generated is accounted for on delivery to the grid in accordance with tariff provided in Power Purchase Agreement (PPA) read with the regulations of State Electricity Regulatory Commission.

## **EDCL POWER PROJECTS LIMITED**

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021**

### **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.

#### **3.13 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.

#### **3.14 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.

## **EDCL POWER PROJECTS LIMITED**

### **Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021**

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.

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.

#### **3.15 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.

#### **3.16 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.

#### **3.17 Segment Reporting**

The identification of operating segment is consistent with performance assessment and resource allocation by the Chief Operating Decision Maker. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of the Company and for which discrete financial information is available. Operating segments of the Company comprises one segment 'generation of electricity'.

#### **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



## **EDCL POWER PROJECTS LIMITED**

### **Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021**

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:

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

Depreciation on assets of generating plant and machinery, building and roads, hydraulic works, transmission lines, transformers and cable network has been provided on straight line method over useful life as per the implementation/other agreement with the authorities. 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 asset's or cash generating units (CGU) fair value less cost of disposal and 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 Application of "Service concession arrangements" accounting**

In assessing the applicability of the service concession arrangement with respect to hydro power plants of the Company, the management has exercised significant judgement considering the ownership of the assets and consideration there against, operational capabilities and ability to sell the power generated to the consumer and determine the rate in this respect, in concluding that the arrangements with the Company as such do not meet the criteria for recognition as service concession arrangements.

## **EDCL POWER PROJECTS LIMITED**

### **Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021**

#### **4.4 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.

#### **4.5 Defined benefit obligations (DBO)**

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

#### **4.6 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 POWER PROJECTS LIMITED**  
Notes to Financial Statements as at 31st March, 2021

**5 Property, Plant and Equipment**

(Rs. in Lakhs)

Sl. No.	Particulars	Freehold Land	Buildings and Roads	Plant and Equipment	Hydraulic Works	Transmission Lines, Transformers & Cables, Networks, etc (Refer Note No. 5.1)	Office Equipment	Furniture and Fixtures	Motor Vehicle	Total
<b>1</b>	<b>Gross Carrying Amount</b>									
	<b>As at 31st March, 2019</b>	<b>62.80</b>	<b>461.35</b>	<b>1,225.88</b>	<b>1,033.31</b>	<b>109.14</b>	<b>1.88</b>	<b>1.48</b>	<b>0.04</b>	<b>2,895.89</b>
	Additions	-	-	1.73	-	-	1.29	-	-	3.02
	Disposals/Adjustments	-	-	-	-	-	1.28	-	-	1.28
	<b>As at 31st March, 2020</b>	<b>62.80</b>	<b>461.35</b>	<b>1,227.61</b>	<b>1,033.31</b>	<b>109.14</b>	<b>1.88</b>	<b>1.48</b>	<b>0.04</b>	<b>2,897.61</b>
	Additions	-	-	11.10	-	-	-	-	-	11.10
	Disposals/Adjustments	-	-	-	-	-	-	-	-	-
	<b>As at 31st March, 2021</b>	<b>62.80</b>	<b>461.35</b>	<b>1,238.71</b>	<b>1,033.31</b>	<b>109.14</b>	<b>1.88</b>	<b>1.48</b>	<b>0.04</b>	<b>2,908.71</b>
<b>2</b>	<b>Accumulated Depreciation</b>									
	<b>As at 31st March, 2019</b>	<b>-</b>	<b>61.19</b>	<b>165.43</b>	<b>137.05</b>	<b>14.48</b>	<b>1.61</b>	<b>0.99</b>	<b>0.02</b>	<b>380.77</b>
	Charge during the year	-	20.45	55.96	45.81	4.84	0.53	0.13	-	127.72
	Disposals/Adjustments	-	-	-	-	-	1.10	-	-	1.10
	<b>As at 31st March, 2020</b>	<b>-</b>	<b>81.64</b>	<b>221.39</b>	<b>182.86</b>	<b>19.32</b>	<b>1.04</b>	<b>1.12</b>	<b>0.02</b>	<b>507.39</b>
	Charge during the year	-	20.39	56.28	45.68	4.82	0.35	0.05	-	127.57
	Disposals/Adjustments	-	-	-	-	-	-	-	-	-
	<b>As at 31st March, 2021</b>	<b>-</b>	<b>102.03</b>	<b>277.67</b>	<b>228.54</b>	<b>24.14</b>	<b>1.39</b>	<b>1.17</b>	<b>0.02</b>	<b>634.96</b>
<b>3</b>	<b>Net Carrying Amount (1-2)</b>									
	<b>As at 31st March, 2020</b>	<b>62.80</b>	<b>379.71</b>	<b>1,006.22</b>	<b>850.45</b>	<b>89.82</b>	<b>0.84</b>	<b>0.36</b>	<b>0.02</b>	<b>2,390.22</b>
	<b>As at 31st March, 2021</b>	<b>62.80</b>	<b>359.32</b>	<b>961.04</b>	<b>804.77</b>	<b>85.00</b>	<b>0.49</b>	<b>0.31</b>	<b>0.02</b>	<b>2,273.75</b>

5.1 Transmission Lines, Transformers and Cables, Networks etc. include Power Evacuating facilities put up in relation to the Hydro Electric Generating Station, which has been handed over to the Electricity Board for transmission of Electricity and maintenance thereof.

5.2 Property, Plant and Equipment includes Rs. 2187.92 Lakhs (31st March, 2020 - Rs. 2,297.58 lakhs) pertaining to Power Generating plant which in terms of implementation agreement with various authorities will be handed over on completion of effective useful life of the assets in terms of respective agreements.

**EDCL POWER PROJECTS LIMITED**  
Notes to Financial Statements as at 31st March, 2021

**6 Loans - Non Current**

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>At Amortised Cost</b>		
<b>Unsecured, considered good</b>	-	40.14
Loan to Body Corporate	-	
<b>Total</b>	<b>-</b>	<b>40.14</b>

(Rs. in Lakhs)

**7 Other Financial Assets - Non Current**

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>At Amortised Cost</b>		
<b>Unsecured, considered good</b>		
Security Deposits	20.36	19.59
Balances in Margin Money Accounts (Refer Note No. 7.1)	0.75	0.75
(with more than 12 months maturity)		
<b>Total</b>	<b>21.11</b>	<b>20.34</b>

(Rs. in Lakhs)

**7.1**

Balances in Margin Money Accounts is deposited with Sales Tax Authorities.

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Tax Deducted at Source	2.89	2.89
<b>Total</b>	<b>2.89</b>	<b>2.89</b>

(Rs. in Lakhs)

**EDCL POWER PROJECTS LIMITED**  
Notes to Financial Statements as at 31st March, 2021

**9 Deferred Tax (Net)**

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred Tax Liabilities (Refer Note No. 9.1)	235.15	242.06
Deferred Tax Asset (Refer Note No. 9.1)	571.67	537.92
<b>Deferred Tax Liabilities/(Assets) (Net)</b>	<b>(336.52)</b>	<b>(295.86)</b>

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

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	Change/(Credit) recognized in Profit and Loss	Charge/(Credit) recognised In OCI	As at 31st March, 2021
<b>(A) Deferred Tax Liabilities</b>				
Fair valuation of Financial Liabilities and Financial Assets	240.52	(7.28)	-	233.24
Re measurement of Defined benefit obligations	1.54	-	0.37	1.91
<b>Total Deferred Tax Liabilities (A)</b>	<b>242.06</b>	<b>(7.28)</b>	<b>0.37</b>	<b>235.15</b>
<b>(B) Deferred Tax Assets</b>				
Timing difference with respect to Property, Plant and Equipment	10.47	0.67	-	9.80
Expenses allowable on payment basis under Income Tax Act, 1961	4.68	(0.84)	-	5.52
Impairment on Trade Receivables	3.33	-	-	3.33
Unabsorbed Depreciation	519.44	(33.58)	-	553.02
<b>Total Deferred Tax Assets (B)</b>	<b>537.92</b>	<b>(33.75)</b>	<b>-</b>	<b>571.67</b>
<b>Deferred Tax Liabilities/(Assets)(Net)(A-B)</b>	<b>(295.86)</b>	<b>(41.03)</b>	<b>0.37</b>	<b>(336.52)</b>

(Rs. in Lakhs)

Particulars	As at 31st March, 2019	Change/(Credit) recognized in Profit and Loss	Charge/(Credit) recognised In OCI	As at 31st March, 2020
<b>(A) Deferred Tax Liabilities</b>				
Fair valuation of Financial Liabilities and Financial Assets	226.43	14.09	-	240.52
Re measurement of Defined benefit obligations	2.37	-	(0.83)	1.54
<b>Total Deferred Tax Liabilities (A)</b>	<b>228.80</b>	<b>14.09</b>	<b>(0.83)</b>	<b>242.06</b>
<b>(B) Deferred Tax Assets</b>				
Timing difference with respect to Property, Plant and Equipment	10.88	0.41	-	10.47
Expenses allowable on payment basis under Income Tax Act, 1961	1.63	(3.05)	-	4.68
Impairment on Trade Receivables	3.33	-	-	3.33
Unabsorbed Depreciation	-	(519.44)	-	519.44
<b>Total Deferred Tax Assets (B)</b>	<b>15.84</b>	<b>(522.08)</b>	<b>-</b>	<b>537.92</b>
<b>Deferred Tax Liabilities/(Assets)(Net)(A-B)</b>	<b>212.96</b>	<b>(507.99)</b>	<b>(0.83)</b>	<b>(295.86)</b>

**EDCL POWER PROJECTS LIMITED**  
Notes to Financial Statements as at 31st March, 2021

**10 Other Non Current Assets**

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Deferred loss on fair valuation of Financial Instruments	1.36	3.81
<b>Total</b>	<b>1.36</b>	<b>3.81</b>

**11 Inventories**

( At Lower of Cost and Market Value )  
(As taken, valued and certified by the management)

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Stores, Spares and Consumables	3.90	6.68
<b>Total</b>	<b>3.90</b>	<b>6.68</b>

**12 Trade Receivables**

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
<b>At Amortised Cost</b>		
Unsecured, considered good	84.80	24.94
Unsecured, considered doubtful	12.80	12.80
	<b>97.60</b>	<b>37.74</b>
Less: Impairment allowances for doubtful receivables (Refer Note No. 12.3)	12.80	12.80
<b>Total</b>	<b>84.80</b>	<b>24.94</b>

**12.1** Trade receivables are normally settled on terms of 60 days of credit period.

**12.2** Ageing analysis of Trade Receivables are as follows:

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Within Credit Period	84.80	24.94
1-180 days past due	-	-
181 days- 1 year past due	-	-
More than 1 year past due	12.80	12.80
<b>Total</b>	<b>97.60</b>	<b>37.73</b>

**12.3** Since there is no change in impairment allowances for doubtful receivables, hence movement is not disclosed for the same.

**EDCL POWER PROJECTS LIMITED**  
**Notes to Financial Statements as at 31st March, 2021**

**13 Cash and Cash Equivalents**

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Balance with Banks in Current Accounts	28.80	10.69
Cash on hand	1.66	1.64
<b>Total</b>	<b>30.46</b>	<b>12.33</b>

**14 Loans - Current**

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Loan to Body Corporate (Refer Note 14.1)	138.11	-
<b>Total</b>	<b>138.11</b>	<b>-</b>

**14.1** Loan of Rs. 143.00 Lakhs (including interest accrued thereon) recoverable from a company is lying outstanding as on 31st March, 2021. Legal and other necessary steps for recovery of the said amount is being contemplated to be taken and as such, no provision against the said amount have been considered necessary

**15 Other Financial Assets - Current**

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
<b>At Amortised Cost</b>		
<b>Unsecured, considered good</b>		
Interest Receivable on financial assets measured at amortised cost	1.35	1.25
Other Receivables (Refer Note No. 15.1 and 15.2)	21.84	8.77
Insurance Claim Receivable	-	-
<b>Total</b>	<b>23.19</b>	<b>10.02</b>

**15.1** Includes Rs. 5.66 Lakhs (31st March, 2020 - Rs. 0.71 Lakhs) recoverable from Holding Company [Refer Note No. 33(B)(I)]

**15.2** Includes Rs. 15.72 Lakhs (31st March, 2020 - Rs. 6.86 Lakhs) recoverable from Related Parties [Refer Note No. 33(B)(II)]

**16 Other Current Assets**

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
<b>Unsecured, considered good</b>		
Balances with Government Authorities	0.52	1.01
Prepaid Expenses	3.68	2.71
Other Advances	0.59	2.31
Deferred loss on fair valuation of financial instruments	5.86	2.46
<b>Total</b>	<b>10.65</b>	<b>8.49</b>

**EDCL POWER PROJECTS LIMITED**  
**Notes to Financial Statements as at 31st March, 2021**

**17 Equity Share Capital**

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Authorised</b>		
40,00,000 (31st March, 2020 - 40,00,000) Equity shares of Rs. 10 each	400.00	400.00
<b>Total</b>	<b>400.00</b>	<b>400.00</b>
<b>Issued, Subscribed and Paid up</b>		
37,50,000 (31st March, 2020 - 37,50,000) Equity shares of Rs. 10 each fully paid up	375.00	375.00
<b>Total</b>	<b>375.00</b>	<b>375.00</b>

**17.1**

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, after distribution of all preferential amounts in proportion to the number of equity shares held by them.

**17.2 Reconciliation of outstanding number of Equity Shares**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
At the beginning of the year	37,50,000	37,50,000
Movement during the year	-	-
<b>At the end of the year</b>	<b>37,50,000</b>	<b>37,50,000</b>

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

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

**18 Other Equity**

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital Reserve (Refer Note 18.2)	240.00	240.00
Capital Redemption Reserve (Refer Note 18.3)	75.00	75.00
Deemed Equity (Refer Note 18.4)	17.27	14.90
Retained Earnings (Refer Note 18.5)	(1,081.51)	(956.13)
<b>Total</b>	<b>(749.24)</b>	<b>(626.23)</b>

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

**Nature and purpose of reserves:**

**18.2 Capital Reserve**

It represents Rs. 240.00 Lakhs on account of subsidy received from Ministry of New and Renewable Energy, Government of India for setting up of Ullankal Small Hydro Power Project.

**18.3 Capital Redemption Reserve**

It represents Rs. 75.00 Lakhs of reserve created for the purpose of redemption of preference share which shall be utilised by the Company in accordance with the provisions of Companies Act, 2013 (as amended from time to time).



**EDCL POWER PROJECTS LIMITED**  
**Notes to Financial Statements as at 31st March, 2021**

**18.4 Deemed Equity**

It comprises of the difference between the fair value and the transaction value of loan received from Holding Company.

**18.5 Retained Earnings**

Retained Earnings generally represents the undistributed profit/ amount of accumulated earnings of the Company. Any actuarial gains and losses arising on defined benefit obligations have been recognised in Retained Earnings.

**19 Borrowings - Non Current**

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>8% Non Cumulative Redeemable Preference shares (Refer Note No. 19.1 to 19.5)</b>	225.08	200.97
<b>Unsecured</b>		
<b>From Related Party</b>		
Holding Company [Refer Note No. 33(B)(I)]	87.14	141.53
Other Body Corporate [Refer Note No.19.6 and 33(B)(IV)]	376.23	271.18
<b>From Others</b>		
Body Corporate	1,864.80	1,807.85
<b>Total</b>	<b>2,553.25</b>	<b>2,421.53</b>

**19.1**

As per Ind AS 109 "Financial Instruments", non-cumulative redeemable preference shares are classified as financial liabilities if principal amount is redeemable. Accordingly, 1,10,00,000 8% non-cumulative redeemable preference shares (31st March 2020 - 1,10,00,000 preference shares) having face value of Rs. 10 each fully paid up are classified as financial liabilities and thus included in borrowings and 8% interest provided thereof.

**19.2**

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Authorised</b>		
1,10,00,000 (31st March 2020 - 1,10,00,000) 8% Non Cumulative Redeemable Preference shares of Rs. 10 each	1,100.00	1,100.00
<b>Total</b>	<b>1,100.00</b>	<b>1,100.00</b>
<b>Issued, Subscribed and Paid up</b>		
1,10,00,000 (31st March, 2020 - 1,10,00,000) 8% Non Cumulative Redeemable Preference Shares of Rs. 10 each fully paid up (Redeemable within 20 years from the date of allotment of 11th February, 2015)	1,100.00	1,100.00
<b>Total</b>	<b>1,100.00</b>	<b>1,100.00</b>

**19.3**

8% Non Cumulative Redeemable Preference Share would carry 8% Fixed Dividend on outstanding unredeemed portion of the amount. In the event of liquidation of the Company before redemption of the said preference shares, the holders of these shares will have priority over equity shares in the payment of dividend and repayment of capital.

**19.4**

**Reconciliation of outstanding number of Preference Shares**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
At the beginning of the year	1,10,00,000	1,10,00,000
Movement during the year	-	-
<b>At the end of the year</b>	<b>1,10,00,000</b>	<b>1,10,00,000</b>

**EDCL POWER PROJECTS LIMITED**  
**Notes to Financial Statements as at 31st March, 2021**

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

Entire Preference Shares are held by Startrack Vinimay Private Limited

**19.6** The unsecured loans from other bodies corporate were earlier repayable in the financial year 2020-21 and the rate of interest thereon was 12% per annum. However, during the year ended 31st March, 2020, upon mutual agreement between the parties involved, repayment date was rescheduled to financial year 2022-23 and the rate of interest reduced to 8% per annum effective from 1st April, 2019.

**20 Provisions - Non Current**

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
<b>Provision for Employee Benefits (Refer Note No. 28.1)</b>		
Gratuity	5.40	4.49
Leave Encashment	7.77	7.55
<b>Total</b>	<b>13.17</b>	<b>12.04</b>

**21 Other Non Current Liabilities**

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Deferred Gain on fair valuation of financial instruments	73.21	139.72
<b>Total</b>	<b>73.21</b>	<b>139.72</b>

**EDCL POWER PROJECTS LIMITED**  
**Notes to Financial Statements as at 31st March, 2021**

**22 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 No. 22.3)	-	-
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises (Refer Note No. 22.1 and 22.2)	87.52	88.45
<b>Total</b>	<b>87.52</b>	<b>88.45</b>

**22.1** Includes Rs. 1.46 Lakhs (31st March, 2020 - Rs. Nil) payable to Holding Company [Refer Note No. 33(B)(I)]

**22.2** Includes Rs. Nil (31st March, 2020- Rs. 0.02 Lakhs) payable to related parties [Refer Note No. 33(B)(III)]

**22.3** 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.

**23 Other Financial Liabilities - Current**

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest accrued and due on borrowings (Refer Note No. 23.1)	485.05	315.79
<b>Total</b>	<b>485.05</b>	<b>315.79</b>

**23.1** Includes Rs. 61.66 Lakhs (31st March, 2020- Rs. 35.39 Lakhs) payable to related parties [Refer Note No. 33(B)(IV)]

**24 Other Current Liabilities**

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred Gain on fair valuation of financial instruments	73.21	69.86
Statutory Dues (includes TDS, GST, PF, ESI, etc)	15.53	19.52
<b>Total</b>	<b>88.74</b>	<b>89.38</b>

**25 Provisions - Current**

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Provision for Employee Benefits</b>		
Leave Encashment (Refer Note No. 28.1)	0.04	0.04
<b>Total</b>	<b>0.04</b>	<b>0.04</b>

**EDCL POWER PROJECTS LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2021**

**26 Revenue from Operations**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Sale of Power	401.00	433.09
Hydro Power (Refer Note No. 26.1)		
<b>Total</b>	<b>401.00</b>	<b>433.09</b>

(Rs. in Lakhs)

**2.6.1** Total number of the units generated and sold (In million units)

Hydro power

16.70 m.u

18.11 m.u.

**26.2** Revenue from sale of power, is accounted for on the basis of billing to Kerala State Electricity Board (KSEB) as per Tariff approved by Kerala State Electricity Regulatory Commission (KSERC) in accordance with the provisions of the Long Term Power Purchase Agreement executed between the Company and KSEB.

**27 Other Income**

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Interest Income</b>		
Interest Income on Financial Assets measured at amortised cost	4.23	2.17
<b>Other non-operating income (net of expenses directly attributable to such income)</b>		
Amortisation of deferred gain on fair valuation of financial instruments	71.63	69.86
Liabilities no longer required written back	-	0.46
Miscellaneous income	7.33	-
Income from Insurance Claim	-	0.23
<b>Total</b>	<b>83.19</b>	<b>72.72</b>

**EDCL POWER PROJECTS LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2021**

**28 Employee Benefits Expense**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries and Wages	94.82	88.64
Contribution to Provident and other Funds	6.27	5.00
Staff Welfare Expense	7.97	7.01
<b>Total</b>	<b>109.06</b>	<b>100.65</b>

(Rs. in Lakhs)

**28.1** As per Indian Accounting Standard 19 "Employee Benefits" the disclosure of Employee Benefits as defined in the Standard are given below:

**(A) Defined Contribution Scheme:**

Contribution to defined contribution schemes, recognised for the year are as under:

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Employer's contribution to Provident Fund	0.90	0.79
Employer's contribution to Pension Fund	2.16	1.79
<b>Total</b>	<b>3.06</b>	<b>2.59</b>

(Rs. in Lakhs)

**(B) Defined Benefit Scheme:**

The employee's Gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligations is determined based on actuarial valuation using projected unit credit method which recognises each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation for leave encashment is recognised in the same manner as Gratuity.

**(i) Changes in Fair Value of Defined Benefit Obligation**

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Gratuity (funded)</b>		
Liability at the beginning of the year	23.96	17.72
Interest Cost	1.55	1.35
Service Cost	2.15	1.76
Acquisition cost	-	-
Actuarial (gain)/loss on obligations	(1.72)	3.13
Benefits paid	(2.29)	-
<b>Liability at the end of the year</b>	<b>23.65</b>	<b>23.96</b>
<b>Leave Encashment (Unfunded)</b>		
Liability at the beginning of the year	7.59	6,28,000.00
Interest Cost	0.49	46,000.00
Current Service Cost	1.13	91,000.00
Acquisition Cost	-	-
Actuarial (gain)/loss on obligations	(0.72)	37,000.00
Benefits paid	(0.68)	(43,000.00)
<b>Liability at the end of the year</b>	<b>7.81</b>	<b>7,59,000.00</b>

**(ii) Changes in Fair Value of Plan Assets**

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Gratuity (Funded)</b>		
Fair value of Plan Assets at the beginning of the year	19.47	18.16
Interest Income	1.25	1.38
Acquisition Adjustment	-	-
Contributions by the Company	0.13	-
Benefits paid	(2.29)	-
Actuarial gain/(loss) on Plan Assets	(0.31)	(0.07)
<b>Fair value of Plan Assets at the end of the year</b>	<b>18.25</b>	<b>19.47</b>

**EDCL POWER PROJECTS LIMITED**  
Notes to Financial Statements for the year ended 31st March, 2021

Particulars	(Rs. in Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Gratuity (Funded)</b>		
Expected return on Plan assets	1.25	1.38
Actuarial gain/(loss) on Plan Assets	(0.31)	(0.07)
<b>Actual Return on Plan Assets</b>	<b>0.94</b>	<b>1.31</b>

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
<b>Gratuity (Funded)</b>		
Liability at the end of the year	23.65	23.96
Fair value of Plan Assets at the end of the year	18.25	19.47
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>5.40</b>	<b>4.49</b>
<b>Leave Encashment (Unfunded)</b>		
Liability at the end of the year	7.81	7.59
Fair value of Plan Assets at the end of the year	-	-
<b>Liability recognised in the Balance Sheet</b>	<b>7.81</b>	<b>7.59</b>

Particulars	(Rs. in Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Gratuity (Funded)</b>		
Service Cost	2.15	1.76
Interest Cost	1.55	1.35
Interest Income on Plan Asset	(1.25)	(1.38)
Net Actuarial (gain)/loss on remeasurement recognised in Other Comprehensive Income	(1.41)	3.20
<b>Total Defined Benefit Cost recognised in Profit and Loss and Other Comprehensive Income</b>	<b>1.04</b>	<b>4.93</b>
<b>Leave Encashment (Unfunded)</b>		
Current Service Cost	1.13	0.91
Interest Cost	0.49	0.46
Interest Income on Plan Asset	-	-
Net Actuarial (gain)/loss on remeasurement recognised in Other Comprehensive Income	(0.72)	0.37
<b>Total Defined Benefit Cost recognised in Profit and Loss and Other Comprehensive Income</b>	<b>0.90</b>	<b>1.74</b>

Particulars	(Rs. in Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Gratuity (Funded)</b>		
Opening Net Liability/(Asset)	4.49	(0.44)
Expenses as above	1.04	4.93
Acquisition Cost	-	-
Employers Contribution	(0.13)	-
<b>Net Liability/(Asset) recognised in Balance Sheet</b>	<b>5.40</b>	<b>4.49</b>
<b>Leave Encashment (Unfunded)</b>		
Opening Net Liability	7.59	6.28
Expenses as above	0.90	1.74
Acquisition cost	-	-
Benefits Paid	(0.68)	(0.43)
Employers Contribution	-	-
<b>Net Liability recognised in Balance Sheet</b>	<b>7.81</b>	<b>7.59</b>

**EDCL POWER PROJECTS LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2021**  
**(vii) Principal Actuarial Assumption as at the Balance Sheet date**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Discount Rate	6.90%	6.80%
Salary Increase	7%	7%
Mortality Rate	IALM (2006-2008) Ult	IALM (2006-2008) Ult
Retirement Age (years)	60	60

**(viii) Recognised in Other Comprehensive Income : Gratuity**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Actuarial (gain)/Loss arising from : Change in Financial Assumptions Change in Experience Adjustments Return on Plan Assets (greater)/less than discount Rate	(0.35) (1.37) 0.31	2.65 0.48 0.07
<b>Amount Recognised in Other Comprehensive Income</b>	<b>(1.41)</b>	<b>3.20</b>

**(ix) Current and Non current bifurcation as at the Balance Sheet Date**

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Gratuity (Funded)</b>		
Current Liability/(Asset)	-	-
Non Current Liability/(Asset)	5.40	4.49
<b>Total Liability/(Asset)</b>	<b>5.40</b>	<b>4.49</b>
<b>Leave Encashment (Unfunded)</b>		
Current Liability	0.04	0.04
Non Current Liability	7.77	7.55
<b>Total Liability</b>	<b>7.81</b>	<b>7.59</b>

**(x) Sensitivity analysis**

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Gratuity (Funded)</b>		
Discount Rate	(3.14)	(3.25)
+1%	3.74	3.86
-1%		
Salary Growth Rate	3.70	3.81
+1%	(3.16)	(3.28)
-1%		
<b>Leave encashment (Unfunded)</b>		
Discount Rate	(1.03)	(1.03)
+1%	1.24	1.21
-1%		
Salary Growth Rate	1.23	1.20
+1%	(1.04)	(1.03)
-1%		

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

**EDCL POWER PROJECTS LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2021**  
**Estimate of expected benefit payments (undiscounted)**

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Gratuity (Funded)</b>		
Within 1 year	0.11	0.10
1-2 year	0.13	0.12
2-3 year	0.16	0.15
3-4 year	0.21	0.19
4-5 year	0.26	0.25
5-10 years	3.97	3.85
<b>Leave Encashment (Unfunded)</b>		
Within 1 year	0.04	0.04
1-2 year	0.05	0.04
2-3 year	0.06	0.02
3-4 year	0.07	0.06
4-5 year	0.08	0.07
5-10 years	1.20	1.14

**(xii) Estimate of expected employer contribution**

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Gratuity (Funded)</b>		
Within 1 year	2.23	2.16
<b>Leave Encashment (Unfunded)</b>		
Within 1 year	N/A	N/A

**(xiii) Weighted average duration of defined benefit obligation**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Gratuity (Funded)</b>		
Duration (in years)	15	16
<b>Leave Encashment (Unfunded)</b>		
Duration (in years)	15	16

**(xiv) Average Number of people**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Average number of people employed (Gratuity Funded)	21	21

**Notes: (As certified by Independent Actuary)**

- Assumptions relating to future salary increases, attrition, interest rate for discount and overall expected rate of return on assets have been considered based on relevant economic factors such as inflation, seniority, promotion, market growth and other factors as applicable to the period over which the obligation is expected to be settled.
- The expected return on Plan assets is based on market expectation at the beginning of the year. The rate of return on long term Government Bonds is taken as reference for this purpose.
- In respect of Funded Gratuity, the funds are managed by the insurer and therefore the percentage or amount that each major category constitutes the fair value of total plan assets and effect thereof on overall expected rate of return on asset is not ascertainable.



**EDCL POWER PROJECTS LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2021**

**29 Finance Costs**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Interest Expenses on borrowings from related parties</b>		
Holding Company [Refer Note No. 33(B)(1)]	25.59	52.97
Other Body Corporate [Refer Note No. 33(B)(1V)]	38.58	31.87
<b>Interest Expenses on borrowings from others</b>		
Body Corporate	216.94	211.27
<b>Interest on preference shares</b>	24.12	21.53
<b>Interest on others (Refer Note No. 29.1)</b>	2.00	-
<b>Total</b>	<b>307.23</b>	<b>317.64</b>

(Rs. in Lakhs)

**29.1** Represents interest on late payment of statutory dues

**30 Depreciation and Amortisation**

(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 No. 5)	127.57	127.72
<b>Total</b>	<b>127.57</b>	<b>127.72</b>

**31 Other Expenses**

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Cost of Power Purchased	0.63	0.29
Stores and Spares consumed	9.70	5.21
Rent (Refer Note No. 31.1 and 31.2)	6.00	15.02
Repairs and Maintenance		
Plant and Equipment	30.26	32.33
Others	0.37	0.20
Rates and Taxes	15.72	16.40
Travelling Expenses	1.92	1.93
Insurance	3.45	8.20
Payment to Auditor	0.50	0.50
Statutory Audit	-	0.25
Taxation Matters	23.20	27.79
Legal and Professional charges	7.44	7.48
Security Services	0.72	0.58
Telephone, Fax, Postal etc.	4.22	1.07
Financial Assets written off	3.65	5.06
Miscellaneous Expenses		
<b>Total</b>	<b>107.78</b>	<b>122.31</b>

**31.1** The Company has a cancellable operating lease arrangement for office accommodation with a lease period of five years which can be further extended after mutual consent and agreement. The lease agreement can be terminated after giving a notice as per terms of the lease by either of the party. Expenditure incurred on account of operating lease rentals during the year and recognised in the Statement of Profit and Loss amounts to Rs. 6.00 Lakhs (31st March, 2020 - Rs. 15.00 Lakhs)

**31.2** The Company has incurred Rs. NIL (31st March, 2020 - Rs. 0.02 Lakhs) towards rental expenses relating to leases of low value assets.

**EDCL POWER PROJECTS LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2021**

**32 Components of Tax Expense**

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>Deferred Tax</b>	(41.03)	(507.99)
In respect of the current year		
<b>Total Deferred tax charge/(credit) recognised in the current year</b>	(41.03)	(507.99)
<b>Total Tax expense/(credit) recognised in the current year</b>	(41.03)	(507.99)

**32.1 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.

**32.1.1** 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.

**32.2 Income tax recognised in other comprehensive income**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Deferred tax Arising on income and expenses recognised in other comprehensive income:</b>		
Remeasurement of defined benefit plans	0.37	(0.83)
<b>Total Income tax recognised in other comprehensive income</b>	0.37	(0.83)
<b>Bifurcation of the income tax recognised in Other Comprehensive Income into:</b>		
Items that will not be reclassified to profit or loss	0.37	(0.83)
Items that will be reclassified to profit or loss	-	-

**32A Components of Other Comprehensive Income**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Items that will not be reclassified to profit or loss</b>	1.04	(2.37)
Remeasurement of defined benefit plans (net of tax)		
<b>Total</b>	1.04	(2.37)

(Rs. in Lakhs)

**EDCL POWER PROJECTS LIMITED**  
Notes to Financial Statements for the year ended 31st March, 2021

**33 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) <b>Holding Company</b>	Energy Development Company Limited
(ii) <b>Fellow Subsidiaries through Holding company</b>	Ayyappa Hydro Power Limited Eastern Ramganga Valley Hydel Projects Company Private Limited Sariju Valley Hydel Projects Company Private Limited EDCL Arunachal Hydro Project Private Limited
(iii) <b>Key Managerial Personnel (KMP)</b>	Mr. Satyendra Pal Singh
Executive Director	Mr. Pankaja Kumari Singh
Non-Executive Director & Promoter	Mr. Vinod Kumar Sharma
Non-Executive Director	Mr. Praveen Singh (ceased to be Director w.e.f. 31st August, 2020)
Non-Executive Director	Mr. Tarrun Chaturdevi (ceased to be Independent Non-Executive Director w.e.f. 1st July, 2020)
Non Executive Independent Director	Mr. Rohit Pandit
Non Executive Independent Director	Mr. Aman Jain (Appointed w.e.f. 30th June, 2020)
Non Executive Independent Director	Mr. Vishal Sharma (Appointed w.e.f. 30th June, 2020)
Chief Financial Officer	Mr. Prabir Goswami
Company Secretary	Mr. Subramanian Krishnan (ceased to be Company Secretary w.e.f. 30th September, 2019) Ms. Richa Jain
(iv) <b>Individuals having significant influence directly or indirectly ( Promoter and their relatives )</b>	Pankaja Kumari Singh (Promoter) Amar Singh (ceased to be relative of Promoter w.e.f. 1st August, 2020)
(v) <b>Enterprises over which individuals mentioned in (iv) above exercises significant influence</b>	Startrack Vinimay Private Limited Sarvottam Caps Private Limited Chekoplast (India) Private Limited
(vi) <b>Enterprises over which individuals mentioned in (iii) above exercises significant influence</b>	EDCL Infrastructure Limited (ceased to be related party w.e.f. 1st July, 2020)

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

**(1) Details of Transactions with Holding Company**

(i) Transactions during the year

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Unsecured Loan repaid (net)	77.61	181.66
Interest Expense	25.59	52.97
Expenses incurred by the party on behalf of the company	1.46	8.33
Expenses reimbursed to the party	-	8.33
Expenses incurred by the company on behalf of the party	4.95	27.30
Expenses reimbursed to the company	-	26.59

Balances outstanding as at the Balance Sheet date			(Rs. in Lakhs)
Particulars	As at 31st March, 2021	As at 31st March, 2020	
Unsecured Loans (Borrowings - Non Current)	87.14	141.53	
Other Advances (Other Financial Assets - Current)	5.66	0.71	
Deemed Equity (Other Equity)	17.27	14.90	
Trade Payables	1.46	-	

**(II) Details of transactions with Fellow Subsidiaries through Holding Company**

Transactions during the year			(Rs. in Lakhs)
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Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Expenses incurred by the party on behalf of the company</b>		
Ayyappa Hydro Power Limited	-	0.13
<b>Expenses reimbursed to the party</b>		
Ayyappa Hydro Power Limited	-	0.13
<b>Expenses incurred by the company on behalf of the party</b>		
Ayyappa Hydro Power Limited	8.84	7.29
EDCL Arunachal Hydro Project Private Limited	0.02	0.02
<b>Expenses reimbursed by the party</b>		
Ayyappa Hydro Power Limited	-	0.43
EDCL Arunachal Hydro Project Private Limited	-	0.02

(ii) Balances outstanding as at the Balance Sheet date

Balances outstanding as at the Balance Sheet date			(Rs. in Lakhs)
Particulars	As at 31st March, 2021	As at 31st March, 2020	
<b>Other Advances (Other Financial Assets - Current)</b>			
Ayyappa Hydro Power Limited	15.70	6.86	
EDCL Arunachal Hydro Project Private Limited	0.02	-	

**(III) Details of transactions with Key Managerial Personnel**

Transactions during the year			(Rs. in Lakhs)
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Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Remuneration</b>		
Satvendra Pal Singh	7.73	7.40
Subramanian Krishnan	-	3.00
Richa Jain	4.59	0.38
Prabir Goswami	5.10	7.95

(ii) Balances outstanding as at the Balance Sheet date

Balances outstanding as at the Balance Sheet date			(Rs. in Lakhs)
Particulars	As at 31st March, 2021	As at 31st March, 2020	
<b>Trade Payables</b>			
Satvendra Pal Singh	-	0.01	
Prabir Goswami	-	0.01	

**(IV) Details of transactions with companies under significant influence of Promoters and their relatives**

Transactions during the year			(Rs. in Lakhs)
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Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Interest Expenses</b>		
Sarvottam Caps Private Limited	38.58	31.87
<b>Rent Expenses</b>		
Chekoplast (India) Private Limited	-	9.00

(ii) Balances outstanding as at the Balance Sheet date

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
<b>Unsecured Loan (Borrowings - Non Current)</b>		
Sarvottam Caps Private Limited	376.23	271.18
<b>Interest accrued (Other Financial Liabilities - Current)</b>		
Sarvottam Caps Private Limited	61.66	35.39
<b>Payable towards rent</b>		
Chekoplast (India) Private Limited	9.72	9.72

**(V) Details of transactions with companies with significant influence of Key Managerial Personnel**

(i) Transactions during the year

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Professional Charges	-	23.25
Expenses incurred by the party on behalf of the company	-	27.44
Loans given	-	43.00
Interest income	-	0.85

**Notes:**

- The above Related Party information is as identified by the Management and relied upon by the auditor.
- In respect of above parties, there is no provision for doubtful debts as on 31<sup>st</sup> March 2021 and 31<sup>st</sup> March, 2020 respectively and no amount has been written off or written back during the year in respect of debts due from/to them.

**3 Terms and conditions of transactions with Related Parties**

All transactions from related parties are made in the ordinary course of business. For the year ended 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020 respectively, the Company has not recorded impairment of receivables relating to amounts owned by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**34**

**Earnings Per Share**

(Rs. in Lakhs, except otherwise stated)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Net Profit/(Loss) for the year	(126.42)	345.48
Weighted Average Number of Equity Shares issued (Number)	37,50,000	37,50,000
Basic and Diluted (Rs.)	(3.37)	9.21

**35**

**Segment Reporting**

The Company is engaged primarily in the business of "generation of electricity" and all other activities are incidental thereto. Further, the Company operates entirely in the domestic market where its operations are governed by the same set of risks and returns. Accordingly the separate primary and secondary segment reporting disclosure as envisaged in Indian Accounting Standard 108 "Operating Segments" is not applicable to the Company.

**EDCL POWER PROJECTS LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2021**

**36 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**

**(Rs. in Lakhs)**

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Total Borrowings</b>	<b>2,553.25</b>	<b>2,421.53</b>
Less: Cash and Cash Equivalents	30.46	12.33
<b>Net Debt (A)</b>	<b>2,522.79</b>	<b>2,409.20</b>
Total Equity	(374.24)	(251.23)
Total Equity and Net Debt (B)	2,148.55	2,157.97
<b>Gearing Ratio (A/B)</b>	<b>1.17</b>	<b>1.12</b>

**37 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 3.7 to the financial statements

(A) Fair Value Measurement

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

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Measured at Amortised Cost</b>		
<b>Financial Assets (Non Current)</b>		
Loan to Body Corporate	-	40.14
Security Deposits	20.36	19.59
Balances in Margin Money Accounts	0.75	0.75
<b>Total (a)</b>	<b>21.11</b>	<b>60.48</b>
<b>Financial Assets (Current)</b>		
Trade Receivables	84.80	24.94
Cash and Cash Equivalents	30.46	12.33
Loan to Body Corporate	138.11	-
Insurance Claim Receivable	-	-
Other Financial Assets	23.19	10.02
<b>Total (b)</b>	<b>276.56</b>	<b>47.29</b>
<b>Total Financial Assets (a + b)</b>	<b>297.67</b>	<b>107.77</b>

(Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Measured at amortised Cost</b>		
<b>Financial Liabilities (Non Current)</b>		
Borrowings	2,553.25	2,421.53
<b>Total (a)</b>	<b>2,553.25</b>	<b>2,421.53</b>
<b>Financial Liabilities (Current)</b>		
Trade Payables	87.52	88.45
Interest accrued on borrowings	485.05	315.79
<b>Total (b)</b>	<b>572.57</b>	<b>404.24</b>
<b>Total Financial Liabilities (a + b)</b>	<b>3,125.82</b>	<b>2,825.77</b>

**(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:**

(1) The fair value of cash and cash equivalents, trade receivables, trade payables, borrowings, other current financial liabilities and assets 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.

(2) Long term debt has been contracted at fixed rates of interest. The carrying value of such long term debt approximate their fair value.

**38 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. Trade Receivables of the company mainly comprises of receivables from state electricity boards and hence such risk is negligible. 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) 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 (Net) disclosed include amounts that are not past due at the end of the reporting period.

**(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.



(Rs. in Lakhs)

Particulars	Less than 1 year	1 year – 3 years	More than 3 years	Total
<b>As at 31st March, 2021</b>				
Loan from Holding Company	-	93.83	-	<b>93.83</b>
Loan from Other Bodies Corporate	-	2,300.00	-	<b>2,300.00</b>
Preference Shares	-	-	1,100.00	<b>1,100.00</b>
Trade Payables	87.52	-	-	<b>87.52</b>
Interest Accrued and due on borrowings	485.05	-	-	<b>485.05</b>
<b>Total</b>	<b>572.57</b>	<b>2,393.83</b>	<b>1,100.00</b>	<b>4,066.40</b>
<b>As at 31st March, 2020</b>				
Loan from Holding Company	-	171.44	-	<b>171.44</b>
Loan from Other Bodies Corporate	-	2,300.00	-	<b>2,300.00</b>
Preference Shares	-	-	1,100.00	<b>1,100.00</b>
Trade Payables	88.45	-	-	<b>88.45</b>
Interest Accrued and due on borrowings	315.79	-	-	<b>315.79</b>
<b>Total</b>	<b>404.24</b>	<b>2,471.44</b>	<b>1,100.00</b>	<b>3,975.68</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.

**(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 and other bodies corporate. Borrowings from Holding Company are strategic in nature and accordingly, do not carry any interest component. Borrowings from other bodies corporate are subject to fixed interest rate which can be modified upon mutual agreement between the parties involved. 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.

- 39** Various debit and credit balances including in respect of loans, advances, creditors are subject to confirmation and consequential reconciliation thereof.
- 40** The accumulated losses of the Company as at 31st March, 2021 have exceeded its paid-up share capital resulting in negative networth. The Company has incurred net loss for the year ended 31st March, 2021 and the Company's current liabilities have exceeded its current assets as at that date. Necessary funds are being infused from time to time by its Promoter to meet for any shortfall in liquidity position of the Company. Based on the above, the Company is confident of its ability to meet the funds requirement and to continue its business as a going concern and accordingly, the financial statements have been prepared on that basis.
- 41** Income Tax Authorities has conducted search under Section 132 of the Income Tax Act, 1961 at the Company's Registered Office. Information and details as required are being provided to the authorities. Outcome of the proceeding and its impact, if any, is currently not ascertainable. The management does not expect any impact on the financial statements in this respect.
- 42** Consequent to outbreak of COVID-19, which has been declared a pandemic by World Health Organisation (WHO), Government of India and State Governments have declared lockdown which have affected business in general. The Company's main operation of electricity generation has been continued during lockdown as electricity generation is considered as one of the essential services by the Government. The Company has considered internal and external information while finalizing various estimates and taking assumptions in relation to its financial statements preparation upto the date of approval of the financial statements by the Board of Directors and no material impact of COVID-19 on the financial performance inter alia, including the carrying value of various current and non current assets or on the going concern assumptions of the Company is expected to arise. However, the estimates used for assessing the carrying value of assets and liabilities as at 31st March, 2021 during the COVID-19 pandemic may undergo change as these are dependent upon future development of the economy and industry. The Company will continue to monitor the variation in situations and consider the same as and when determinable.

- 43** The previous year's figures have been regrouped and rearranged wherever necessary to make them comparable with those of current year's figures.
- 44** 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.

Accompanying notes to the financial statements  
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

**A. K. Khetawat**  
**Partner**  
Membership No.: 052751

Place: Kolkata  
Date: 30th June, 2021

Place: New Delhi  
Date: 30th June, 2021

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

Satyendra Pal Singh, Executive Director (DIN: 01055370)

Sd/- Pankaja Kumari Singh, Director (DIN: 00199454)

Sd/- Vinod Kumar Sharma, Director (DIN: 02879206)

Sd/- Aman Jain, Director (DIN: 08187995)

Sd/- Vishal Sharma, Director (DIN: 08773037)

Sd/- Prabir Goswami, Chief Financial Officer

Sd/- Richa Jain, Company Secretary