

**INDEPENDENT AUDITORS' REPORT**

The Members of  
**EDCL Arunachal Hydro Project Private Limited**

**Report on the Financial Statements****Opinion**

We have audited the accompanying financial statements of **EDCL Arunachal Hydro Project Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information for the year ended on that date (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2019, its loss and total comprehensive income, its Cash Flows and the changes in equity for the year ended on that date.

**Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

**Information Other than the Financial Statements and Auditor's Report thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include financial statements and our auditors' report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on our work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report with respect to the above.



### **Management's Responsibility for the Financial Statements**

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditors' Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standard on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to



modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it possible that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in i) planning the scope of our audit work and in evaluating the results of our work; and ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act.



- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- 3) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations as at the year end which would impact which would impact its financial position;
  - ii. The Company does not have any long term contracts, including derivative contracts, for which there were any material foreseeable losses;
  - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 4) With respect to the Other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration (including sitting fees) has been paid by the Company to its directors during the current year and accordingly, the provisions of Section 197 of the Act are not applicable.

Place: Kolkata  
Date: 30<sup>th</sup> May, 2019



For Lodha & Co.  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

Prashant Khandelwal  
Partner  
Membership No: 056652

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

- i)
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situations of its fixed assets.
  - b. Fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies in respect of the assets verified during the year were noticed.
  - c. The Company has no immovable property and accordingly, the provisions of Clause 3 (i) (c) of the Order are not applicable to the Company.
- ii) The Company has no inventory and accordingly, the provisions of Clause 3 (ii) of the Order are not applicable to the Company.
- iii) According to information and explanations given to us, the Company has not granted any loans, secured and unsecured, to companies listed in the register maintained under Section 189 of the Act. Accordingly, the provisions of Clause 3(iii) of the Order are not applicable to the Company.
- iv) According to the information and explanations given to us, the Company has not given any loan or guarantee or provided any security in connection with loan during the year. Accordingly, the provision of Clause 3(iv) of the Order is not applicable to the Company.
- v) The Company has not accepted any deposits from the public and accordingly, the provisions of Section 73 to 76 or any other relevant provisions of the Act are not applicable.
- vi) The Company is not required to maintain Cost Records prescribed by the Central Government under Section 148(1) of the Act. Accordingly, the provisions of Clause 3(vi) of the Order are not applicable to the Company.
- vii)
  - a. According to records of the Company, undisputed statutory dues including Service Tax, Tax Deducted at Source, Goods and Service Tax and Professional Tax have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2019 for a period more than six months from the date of becoming payable. Other statutory dues like Provident Fund, Employee's State Insurance, Sales Tax, Income Tax, Customs Duty, Excise Duty, Value Added Tax, Cess etc. are not applicable to the Company during the year.
  - b. According to the information and explanations given to us, there were no dues in respect of income tax, sales tax, service tax, custom duty, excise duty, goods and services tax and value added tax which have not been deposited on account of any dispute.
- viii) The Company has no amounts due to financial institutions, government or debenture holders during the year. Accordingly, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix) Based on our audit procedures performed and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer and term loan.
- x) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across incidence of any material fraud on or by the Company nor have we been informed of any such cases by the management.



- xi) According to the information and explanations given to us, no managerial remuneration has been paid or provided during the year and accordingly, the provisions of Clause 3(xi) of the Order is not applicable to the Company.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly, the provision of Clause 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors and accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provision of Clause 3(xvi) of the Order is not applicable to the Company.



Place: Kolkata  
Date: 30<sup>th</sup> May, 2019

For Lodha & Co  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

*Prashant Khandelwal*

Prashant Khandelwal  
Partner  
Membership No: 056652

'Annexure B' referred to in our report of even date

**Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of EDCL Arunachal Hydro Project Private Limited ("the Company") as at March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding



prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Place: Kolkata  
Date: 30<sup>th</sup> May, 2019

For Lodha & Co  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

Prashant Khandelwal  
Partner  
Membership No: 056652



**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
Balance Sheet as at 31st March, 2019

(₹ in lakhs)

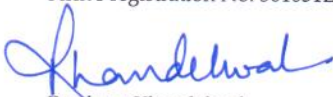
| Particulars  | Note No. | As at<br>31st March 2019 | As at<br>31st March 2018 |
|--|----------|--------------------------|--------------------------|
| <b>ASSETS</b>  |          |                          |                          |
| <b>(1) Non Current Assets</b>  |          |                          |                          |
| (a) Property, Plant and Equipment  | 5        | 27.30                    | 35.74                    |
| (b) Deferred Tax Asset (Net)   | 6        | 3.44                     | 2.80                     |
| (c) Current Tax Assets (Net)   | 7        | 0.09                     | 0.09                     |
| <b>(2) Current Assets</b>  |          |                          |                          |
| (a) Financial Assets   |          |                          |                          |
| (i) Trade Receivables  | 8        | 4.41                     | 4.41                     |
| (ii) Cash & Cash Equivalents   | 9        | 0.67                     | 2.83                     |
| <b>TOTAL ASSETS</b>  |          | <b>35.91</b>             | <b>45.87</b>             |
| <b>EQUITY AND LIABILITIES</b>  |          |                          |                          |
| <b>EQUITY</b>  |          |                          |                          |
| (a) Equity Share Capital   | 10       | 101.00                   | 101.00                   |
| (b) Other Equity   | 11       | (87.13)                  | (81.19)                  |
|  |          | 13.87                    | 19.81                    |
| <b>LIABILITIES</b>   |          |                          |                          |
| <b>(1) Non Current Liabilities</b>   |          |                          |                          |
| (a) Financial Liabilities  |          |                          |                          |
| (i) Borrowings   | 12       | 12.10                    | -                        |
| <b>(1) Current Liabilities</b>   |          |                          |                          |
| (a) Financial Liabilities  |          |                          |                          |
| (i) Borrowings   | 13       | -                        | 16.07                    |
| (ii) Trade Payables  | 14       |                          |                          |
| Total outstanding dues of Micro and Small Enterprises                      |          | -                        | -                        |
| Total outstanding dues of creditors other than Micro and Small Enterprises |          | 0.30                     | 0.33                     |
| (iii) Other Financial Liabilities  | 15       | 9.64                     | 9.64                     |
| (b) Other Current Liabilities  | 16       | -                        | 0.02                     |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>                                      |          | <b>35.91</b>             | <b>45.87</b>             |

Significant Accounting Policies

3

The accompanying notes (1-26) form an integral part of financial statements.

As per our Report of even date  
For Lodha & Co.  
Chartered Accountants  
Firm's registration No. 301051E

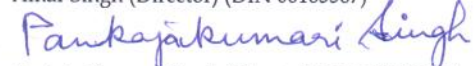
  
Prashant Khandelwal  
Partner  
Membership No. 056652




For and on behalf of the Board of Directors



Amar Singh (Director) (DIN 00165567)

  
Pankaja Kumari Singh (Director) (DIN 00199454)

  
Satyendra Pal Singh (Director) (DIN 01055370)

Place : New Delhi  
Dated : 30th May, 2019

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Statement of Profit & Loss for the year ended 31st March,2019**

(₹ in lakhs)

| Particulars   | Note No | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---|---------|--------------------------------------|--------------------------------------|
| <b>INCOME</b>   |         |                                      |                                      |
| Other Income  | 17      | 9.68                                 | -                                    |
| <b>(A) TOTAL INCOME</b>   |         | <b>9.68</b>                          | <b>-</b>                             |
| <b>EXPENSES</b>   |         |                                      |                                      |
| Finance Costs   | 18      | 1.83                                 | 1.56                                 |
| Depreciation and Amortisation Expense   | 19      | 8.44                                 | 11.21                                |
| Other Expenses  | 20      | 1.21                                 | 0.75                                 |
| <b>(B) TOTAL EXPENSES</b>   |         | <b>11.48</b>                         | <b>13.51</b>                         |
| <b>(C) Profit/(Loss) before tax for the year(A-B)</b>   |         | <b>(1.80)</b>                        | <b>(13.51)</b>                       |
| Tax Expense:  | 22      |                                      |                                      |
| (1) Current Tax   |         | -                                    | -                                    |
| (2) Deferred Tax charge/ (credit)   | 6.1     | (0.64)                               | (2.47)                               |
| <b>(D) Total Tax Expenses/ (credit) (1+2)</b>   |         | <b>(0.64)</b>                        | <b>(2.47)</b>                        |
| <b>(E) Profit/(Loss) for the Year (C-D)</b>   |         | <b>(1.16)</b>                        | <b>(11.04)</b>                       |
| <b>OTHER COMPREHENSIVE INCOME</b>   |         |                                      |                                      |
| i. Items that will not be reclassified to profit or loss  |         | -                                    | -                                    |
| ii. Income tax relating to items that will not be reclassified to profit or loss  |         | -                                    | -                                    |
| <b>(F) Other Comprehensive Income for the year (net of tax)</b>   |         | <b>-</b>                             | <b>-</b>                             |
| <b>Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the year) (E+F)</b> |         | <b>(1.16)</b>                        | <b>(11.04)</b>                       |
| Earnings per equity share of ₹ 10 each fully paid up<br>-Basic and Diluted  | 22      | (0.12)                               | (1.09)                               |

**Significant Accounting Policies**

3

The accompanying notes (1-26) form an integral part of financial statements.

As per our Report of even date  
For Lodha & Co.  
Chartered Accountants  
Firm's registration No. 301051E

*Prashant Khandelwal*  
Prashant Khandelwal  
Partner  
Membership No. 056652



Place : New Delhi  
Dated : 30th May, 2019

For and on behalf of the Board of Directors

*Amar Singh.*

Amar Singh (Director) (DIN 00165567)

*Pankajakumari Singh*

Pankaja Kumari Singh (Director) (DIN 00199454)

*Satyendra Pal Singh*

Satyendra Pal Singh (Director) (DIN 01055370)

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Statement Of Changes In Equity For The Year Ended 31st March 2019**

(i) Equity Share Capital (₹ in lakhs)

| Particulars                  | Amount |
|------------------------------|--------|
| Balance as at March 31,2017  | 101.00 |
| Changes during the year      | -      |
| Balance as at March 31,2018  | 101.00 |
| Changes during the year      | -      |
| Balance as at March 31, 2019 | 101.00 |

(ii) Other Equity

As at March 31,2019

(₹ in lakhs)

| Particulars                                     | Deemed Equity | Revenue & Surplus | Total   |
|---|---------------|-------------------|---------|
|   |               | Retained Earning  |         |
| Balance as at March 31, 2018                    | 4.78          | (85.97)           | (81.19) |
| Profit/ (loss) for the year                     | -             | (1.16)            | (1.16)  |
| Other Comprehensive Income for the year         | -             | -                 | -       |
| Total comprehensive income/ (loss) for the year | -             | (1.16)            | (1.16)  |
| Additions during the year                       | -             | -                 | -       |
| Modification gain/ (loss)                       | (4.78)        | -                 | (4.78)  |
| Balance as at March 31, 2019                    | -             | (87.13)           | (87.13) |

As at March 31,2018

(₹ in lakhs)

| Particulars                                     | Deemed Equity | Revenue & Surplus | Total   |
|---|---------------|-------------------|---------|
|   |               | Retained Earning  |         |
| Balance as at March 31, 2017                    | 4.44          | (74.92)           | (70.49) |
| Profit/ (loss) for the year                     | -             | (11.04)           | (11.04) |
| Other Comprehensive Income for the year         | -             | -                 | -       |
| Total comprehensive income/ (loss) for the year | -             | (11.04)           | (11.04) |
| Additions during the year                       | 0.34          | -                 | 0.34    |
| Balance as at March 31, 2018                    | 4.78          | (85.97)           | (81.19) |

Refer Note no. 11 for nature and purpose of reserves.

Significant Accounting Policies and other accompanying notes (1-26) are in intergal part of the financial statements.

As per our Report of even date

For Lodha & Co.

Chartered Accountants

Firm's registration No. 301051E

*Prashant Khandelwal*

Prashant Khandelwal

Partner

Membership No. 056652



For and on behalf of the Board of Directors

*Amar Singh.*

Amar Singh (Director) (DIN 00165567)

*Pankajakumari Singh*

Pankaja Kumari Singh (Director) (DIN 00199454)

*Satyendra Pal Singh*

Satyendra Pal Singh (Director) (DIN 01055370)

Place : Kolkata

Dated : 30th May, 2019

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

(₹ in lakhs)

| PARTICULARS   | 31.03.2019 |        | 31.03.2018 |         |
|---|------------|--------|------------|---------|
|   | AMOUNT     | AMOUNT | AMOUNT     | AMOUNT  |
| <b>A) Cash Flow From Operating Activities:</b>                  |            |        |            |         |
| Profit/ (Loss) before tax                                       |            | (1.80) |            | (13.51) |
| <b>Adjustments for :</b>  |            |        |            |         |
| Modification gain/ (loss) on financial liabilities              | (9.68)     | -      | -          | -       |
| Interest and Finance Charges                                    | 1.83       | -      | 1.56       | -       |
| Fair Value Adjustment on Prepayment of Loan                     | 0.10       | -      | -          | -       |
| Depreciation and amortisation expense                           | 8.44       | 0.69   | 11.21      | 12.77   |
| <b>Operating Profit before Working Capital Changes</b>          |            | (1.11) |            | (0.75)  |
| <b>Adjustments for :</b>  |            |        |            |         |
| (Increase)/Decrease in Trade and Other Receivables              | -          | -      | -          | -       |
| Increase/(Decrease) in Trade and Other payables                 | (0.05)     | (0.05) | (0.04)     | (0.04)  |
| <b>Cash generated from operations</b>                           |            | (1.16) |            | (0.79)  |
| Direct Taxes paid (Net of refund)                               |            | -      |            | -       |
| <b>Net Cash Flow from Operating Activities</b>                  |            | (1.16) |            | (0.79)  |
| <b>B) Cash Flow from Investing Activities</b>                   |            |        |            |         |
| <b>Net Cash Flow from Investing Activities</b>                  |            |        |            |         |
| <b>C) Cash Flow from Financing Activities</b>                   |            |        |            |         |
| Proceeds from / (Repayment) of Borrowings                       |            | (1.00) |            | 2.50    |
| <b>Net Cash flow from Financing Activities</b>                  |            | (1.00) |            | 2.50    |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>     |            | (2.16) |            | 1.71    |
| Cash and Cash equivalents at the beginning of the year          |            | 2.83   |            | 1.12    |
| Cash and Cash equivalents at the end of the year (Refer Note 9) |            | 0.67   |            | 2.83    |

The accompanying notes (1-26) form an integral part of financial statements.

Notes :-

- The Cash Flow Statement is prepared by the " Indirect Method" as set out in the Indian Accounting Standard-7 on Cash Flow Statement.
- Cash and cash equivalents as at the Balance Sheet date consists of:

| Particulars   | (₹ in lakhs)     |                  |
|---|------------------|------------------|
|   | As at 31.03.2019 | As at 31.03.2018 |
| Cash and cash equivalents (Refer Note 9)                |                  |                  |
| - Balance with Banks on Current Accounts                | 0.67             | 2.83             |
| - Cash on hand  | -                | -                |
| <b>Cash and Cash equivalents at the end of the year</b> | <b>0.67</b>      | <b>2.83</b>      |

- Change in Company's liabilities arising from financing activities:

| Particulars   | (₹ in lakhs)     |               |                |                  |
|---|------------------|---------------|----------------|------------------|
|   | As at 31.03.2018 | Cash flows*   | Non-Cash Flows | As at 31.03.2019 |
| <b>Non-current borrowings (Refer Note 12)</b>                     |                  |               |                |                  |
| - Loan from Related Party- Holding Company                        | -                | 21.68         |                | 21.68            |
| <b>Deemed Equity (Refer Note 11)</b>                              | 4.78             | (4.78)        | -              | 0.00             |
| <b>Current maturities of long term debt (Refer Note no. 13)</b>   |                  |               |                |                  |
| - Loan from Related Party- Holding Company                        | 16.07            | (16.07)       | -              | -                |
| <b>Interest accrued and due on borrowings (Refer Note no. 15)</b> |                  |               |                |                  |
| - Related Parties   | 9.64             | (1.83)        | 1.83           | 9.64             |
| <b>Total</b>  | <b>30.49</b>     | <b>(1.00)</b> | <b>1.83</b>    | <b>31.32</b>     |

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

As per our Report of even date  
For Lodha & Co.  
Chartered Accountants  
Firm's registration No. 301051E

*Prashant Khandelwal*

Prashant Khandelwal  
Partner  
Membership No. 056652



Place : New Delhi  
Dated : 30th May, 2019

For and on behalf of the Board of Directors

*Amar Singh.*

Amar Singh (Director) (DIN 00165567)

*Pankajakumari Singh*

Pankaja Kumari Singh (Director) (DIN 00199454)

*Satyendra Pal Singh*

Satyendra Pal Singh (Director) (DIN 01055370)

**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
**Notes to the Financial Statements for the year ended 31st March, 2019**

**NOTE 1**

**CORPORATE INFORMATION**

EDCL Arunachal Hydro Project Private 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 "EDCL HOUSE" 1A, Elgin Road, Kolkata, West Bengal 700020 and the company is primarily engaged in renting of Plant & Machinery.

**NOTE 2**

**STATEMENT OF COMPLIANCE AND RECENT PRONOUNCEMENTS**

**2.1 Statement of Compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

All the Ind ASs issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements approved for issue by the Board of Directors have been considered in preparing these financial statements.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

**2.2 Recent Pronouncements**

**(a) New and revised standards adopted by the Company**

The Company has applied the following standards and amendments for the first time during the year ended 31st March, 2019:

(i) Ind AS 115 - Revenue from Contracts with Customers revised and made effective from 1st April, 2018.

(ii) Appendix B, foreign currency transactions and advance consideration to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates and Ind AS 12 - Income Taxes revised and made effective from 1st April, 2018.

The application of Ind AS 115 and revisions/amendments in other standards do not have any material impact on the financial statements.

**(b) Standards issued but not yet effective**

**(i) Ind AS 116 - Leases**

Ind AS 116 is effective for period beginning on or after 1st April, 2019. It would replace previous lease standard Ind AS 17. Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and mandates accounting of all leases under single lease accounting model.

A lessee is required to recognise 'right-of-use asset' representing the value of the right for using the underlying assets and a 'lease liability' representing its obligation to make payments against the same for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged.

**(ii) Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12 - Income taxes**

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting of uncertainties on income tax treatment that are yet to be accepted by tax authorities and determine the



probability thereof to be considered to compute the most likely impact on taxation, unused tax losses, credits etc. for reflection in the measurement of current and deferred taxes.

The Company is evaluating the impacts on account of (i) and (ii) above and other amendments on the financial position and results of operation.

### NOTE 3

#### SIGNIFICANT ACCOUNTING POLICIES

##### **3.1 Basis of preparation of financial statements**

The Financial Statements have been prepared under the historical cost convention on accrual basis.

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

Based on the nature of activities, the operating cycle has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees which is the Company's functional and presentation currency except otherwise stated. All amounts disclosed in the Financial Statements including notes thereon have been rounded off to the nearest lakhs.

##### **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 asset or liability 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 fair value measurements who regularly review significant observable and unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

##### **3.2 Property, Plant and Equipment (PPE)**



(a) Property, Plant and Equipment are stated at cost which comprise its purchase price and any attributable 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 interest and pre-operative expenses.

(b) 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 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.

(c) Subsequent cost are included in the asset's 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.

### 3.3 Depreciation and Amortisation

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

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

| Category               | Useful Life (years) |
|------------------------|---------------------|
| Plant and Equipments   | 7.5 years           |
| Furniture and fixtures | 10 years            |
| Office equipment       | 5 years             |
| Vehicles               | 8 years             |

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

The residual value of an item of property, plant and equipment has been kept at  $\leq 5\%$  of the cost of the respective assets.

### 3.4 Derecognition of Tangible Assets

An item of tangible asset is derecognized upon disposal or when no future economic benefits are expected to arise therefrom. Gain or loss on the disposal or retirement of an item of asset is determined as the difference between the sales proceeds/net realizable value and the carrying amount of the asset, is recognized in the Statement of Profit and Loss.

### 3.5 Impairment of Tangible Assets

Tangible assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of property, plant and equipment is determined. An impairment loss is recognised, whenever the carrying amount of assets exceed recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing the value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been



change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets on a pro-rata basis. Subsequent to recognition of impairment loss/reversal thereof, depreciation is provided on the revised carrying amount of the asset, on a systematic basis, over its remaining useful life.

### **3.6 Financial Assets and Financial Liabilities**

Financial assets and financial liabilities (financial instruments) are recognized when 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 the 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 recognized 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 operating cycle of the company or otherwise these are classified as non-current.

The financial instruments are subsequently classified at amortised cost, at Fair Value Through Profit and Loss (FVTPL) or Fair Value Through Other Comprehensive Income (FVTOCI) and such classification depends on the objective and contractual term to which they relate. Classification of financial instruments are 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 having original maturities of three months or less from the date of purchase, are considered as 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 amortized 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 give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost. The above financial assets and financial liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) Method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the Financial Assets or Financial Liability to the gross carrying amount of the financial asset or to the amortized cost of the 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**

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 recognized 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 and Financial Liabilities at Fair value through profit or loss**

Financial Instruments which does not meet the criteria of amortized cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. Upon initial recognition, attributable transaction costs are recognized in the income statement when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in the Statement of Profit and Loss.

#### **3.7 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 12-month expected credit losses.

#### **3.8 De-recognition of financial instruments**

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, 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 designed at FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in profit or loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

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 profit or loss.

#### **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 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 (PPE) which are 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 or sale.

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

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

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed



only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

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

### 3.12 Revenue Recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuous management involvement and the amount of revenue can be measured reliably.

### 3.13 Taxation

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognised 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.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternative Tax (MAT) measured in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable that the future economic benefit associated with same will be realised.

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 utilised.

### 3.14 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

## NOTE 4

### CRITICAL ACCOUNTING JUDGMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of the financial statements in conformity with the 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 could change from period to period. Actual results could differ from those estimates.

Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the 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.

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 summarised 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 have also been summarised here under:

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

Property, plant and equipment are depreciated on straight-line basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation amount to be recorded during any reporting period. The company reviews its carrying value of its Tangible 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 reflect 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. The reassessment may result in change due to variation in estimates assumption in future period.

#### **4.2 Income taxes**

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. Availability of future taxable profits against which tax losses carried forward can be used also involves management judgement. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.



**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
Notes to Financial Statements for the Year ended 31st March, 2019

Note 5  
Property, Plant and Equipment

As at 31 March, 2019

(₹ in lakhs)

|   | Particulars  | Furniture and Fixtures | Motor Vehicles | Office Equipment | Plant & Equipment | Total        |
|---|--|------------------------|----------------|------------------|-------------------|--------------|
| 1 | <b>GROSS CARRYING AMOUNT</b>                           |                        |                |                  |                   |              |
|   | Balance as at 31st March 2018                          | 8.82                   | 0.57           | 5.08             | 47.46             | 61.93        |
|   | Additions/ Adjustments                                 | -                      | -              | -                | -                 | -            |
|   | <b>Balance as at 31st March 2019</b>                   | <b>8.82</b>            | <b>0.57</b>    | <b>5.08</b>      | <b>47.46</b>      | <b>61.93</b> |
| 2 | <b>ACCUMULATED DEPRECIATION</b>                        |                        |                |                  |                   |              |
|   | Balance as at 31st March 2018                          | 3.98                   | 0.30           | 3.22             | 18.68             | 26.19        |
|   | During the year  | 1.25                   | 0.08           | 0.73             | 6.37              | 8.44         |
|   | <b>Balance as at 31st March 2019</b>                   | <b>5.24</b>            | <b>0.39</b>    | <b>3.96</b>      | <b>25.05</b>      | <b>34.63</b> |
| 3 | <b>NET CARRYING AMOUNT as at 31st March 2019 (1-2)</b> | <b>3.58</b>            | <b>0.18</b>    | <b>1.12</b>      | <b>22.41</b>      | <b>27.30</b> |

As at 31 March, 2018

(₹ in lakhs)

|   | Particulars  | Furniture and Fixtures | Motor Vehicles | Office Equipment | Plant & Equipment | Total        |
|---|--|------------------------|----------------|------------------|-------------------|--------------|
| 1 | <b>GROSS CARRYING AMOUNT</b>                           |                        |                |                  |                   |              |
|   | Balance as at 31st March 2017                          | 8.82                   | 0.57           | 5.08             | 47.46             | 61.93        |
|   | Additions/ Adjustments                                 | -                      | -              | -                | -                 | -            |
|   | <b>Balance as at 31st March 2018</b>                   | <b>8.82</b>            | <b>0.57</b>    | <b>5.08</b>      | <b>47.46</b>      | <b>61.93</b> |
| 2 | <b>ACCUMULATED DEPRECIATION</b>                        |                        |                |                  |                   |              |
|   | Balance as at 31st March 2017                          | 2.29                   | 0.18           | 2.01             | 10.50             | 14.98        |
|   | During the year  | 1.69                   | 0.12           | 1.22             | 8.18              | 11.21        |
|   | <b>Balance as at 31st March 2018</b>                   | <b>3.98</b>            | <b>0.30</b>    | <b>3.22</b>      | <b>18.68</b>      | <b>26.19</b> |
| 3 | <b>NET CARRYING AMOUNT as at 31st March 2018 (1-2)</b> | <b>4.83</b>            | <b>0.27</b>    | <b>1.86</b>      | <b>28.78</b>      | <b>35.74</b> |



6 Deferred tax Assets / (Liability)

| (₹ in lakhs)                                   |             |                     |                     |
|--|-------------|---------------------|---------------------|
| Particulars                                    | Ref Note No | As at March 31,2019 | As at March 31,2018 |
| a. Deferred Tax Asset                          | 6.1         | 3.44                | 2.80                |
| b. Deferred Tax Liability                      | 6.1         | -                   | -                   |
| <b>Deferred Tax Assets / (Liability) (Net)</b> |             | <b>3.44</b>         | <b>2.80</b>         |

6.1 Component of Deferred tax Asset / (liabilities) as at 31st March, 2019 are given below:

| (₹ in lakhs)  |                     |                                    |                     |
|---|---------------------|------------------------------------|---------------------|
| Particulars   | As at March 31,2018 | Charge/ (credit) to profit or loss | As at March 31,2019 |
| <b>Deferred tax asset / (liability) in relation to:</b> |                     |                                    |                     |
| Property, plant and equipment                           | 2.40                | (0.54)                             | 2.93                |
| Brought Forward Losses                                  | 0.40                | (0.10)                             | 0.51                |
| <b>Total</b>  | <b>2.80</b>         | <b>(0.64)</b>                      | <b>3.44</b>         |

Component of Deferred tax Asset / (liabilities) as at 31st March, 2018 are given below:

| (₹ in lakhs)  |                     |                                    |                     |
|---|---------------------|------------------------------------|---------------------|
| Particulars   | As at March 31,2017 | Charge/ (credit) to profit or loss | As at March 31,2018 |
| <b>Deferred tax asset / (liability) in relation to:</b> |                     |                                    |                     |
| Property, plant and equipment                           | -                   | (2.40)                             | 2.40                |
| Brought Forward Losses                                  | 0.33                | (0.07)                             | 0.40                |
| <b>Total</b>  | <b>0.33</b>         | <b>(2.47)</b>                      | <b>2.80</b>         |

7 Current Tax Assets

| (₹ in lakhs)   |             |                     |                     |
|--|-------------|---------------------|---------------------|
| Particulars  | Ref Note No | As at March 31,2019 | As at March 31,2018 |
| Advance tax including Tax Deducted at Source (Net of Provisions) |             | 0.09                | 0.09                |
| <b>Total</b>   |             | <b>0.09</b>         | <b>0.09</b>         |

8 Current Financial Assets: Trade Receivable

| (₹ in lakhs)   |             |                     |                     |
|--|-------------|---------------------|---------------------|
| Particulars  | Ref Note No | As at March 31,2019 | As at March 31,2018 |
| Unsecured - considered good Trade Receivable - Unsecured | 8.1         | 4.41                | 4.41                |
| <b>Total</b>   |             | <b>4.41</b>         | <b>4.41</b>         |

8.1 Ageing of Trade Receivable

| (₹ in lakhs)                |  |                     |                     |
|-----------------------------|--|---------------------|---------------------|
| Particulars                 |  | As at March 31,2019 | As at March 31,2018 |
| Within the credit period    |  | -                   | -                   |
| 1-180 days past due         |  | -                   | -                   |
| More than 180 days past due |  | 4.41                | 4.41                |
| <b>Total</b>                |  | <b>4.41</b>         | <b>4.41</b>         |



9 Cash And Cash Equivalents

| (₹ in lakhs)         |             |                     |                     |
|----------------------|-------------|---------------------|---------------------|
| Particulars          | Ref Note No | As at March 31,2019 | As at March 31,2018 |
| Balances with banks: |             |                     |                     |
| On current accounts  |             | 0.67                | 2.83                |
| Cash on hand         |             | -                   | -                   |
| <b>Total</b>         |             | <b>0.67</b>         | <b>2.83</b>         |

10 Equity Share Capital

| (₹ in lakhs)   |             |                     |                     |
|--|-------------|---------------------|---------------------|
| Particulars  | Ref Note No | As at March 31,2019 | As at March 31,2018 |
| <b>Authorised Share Capital</b>  |             |                     |                     |
| Equity Shares of ₹ 10/- Each   |             | 110.00              | 110.00              |
|  |             | <b>110.00</b>       | <b>110.00</b>       |
| <b>Issued, Subscribed &amp; Fully Paid Up Shares</b>   |             |                     |                     |
| Equity Shares of ₹ 10/- Each   |             | 101.00              | 101.00              |
|  |             | <b>101.00</b>       | <b>101.00</b>       |
| Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period: |             |                     |                     |
|  |             | No. of shares       | No. of shares       |
| Opening Balance  |             | 10,10,000           | 10,10,000           |
| Closing Balance  |             | 10,10,000           | 10,10,000           |

Shareholders holding more than 5% Equity shares :-

| Name of the Shareholders             | Number of Shares Held | Number of Shares Held |
|--------------------------------------|-----------------------|-----------------------|
| - Energy Development Company Limited | 10,10,000<br>(100 %)  | 10,10,000<br>(100 %)  |

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity is entitled to one vote per share. The dividend, if any proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

11 Other Equity

| (₹ in lakhs)                                 |             |                     |                     |
|--|-------------|---------------------|---------------------|
| Particulars                                  | Ref Note No | As at March 31,2019 | As at March 31,2018 |
| <b>a. Retained Earnings</b>                  | 11.1        |                     |                     |
| As per Last Balance Sheet                    |             | (85.97)             | (74.92)             |
| Add: Profit/(loss) for the year              |             | (1.16)              | (11.04)             |
| Add: Other Comprehensive Income for the year |             | -                   | -                   |
|  |             | <b>(87.13)</b>      | <b>(85.97)</b>      |
| <b>b. Deemed Equity</b>                      | 11.2        |                     |                     |
| As per Last Balance Sheet                    |             | 4.78                | 4.44                |
| Add: Additions during the year               |             | -                   | 0.34                |
| Less: Modification gain/ (loss)              |             | 4.78                | -                   |
|  |             | <b>0.00</b>         | <b>4.78</b>         |
| <b>Total</b>                                 |             | <b>(87.13)</b>      | <b>(81.19)</b>      |



**Retained earnings**

- 11.1 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.

**Deemed Equity**

- 11.2 It comprises of the difference between the fair value and the transaction value of loan received from holding company. Consequent upon completion of the term for repayment of loan and subsequent amendments to the terms of repayment of borrowings from the holding company, Deemed Equity of Rs. 4.78 lakhs has been credited as modification gain under Other Income. (Refer Note 17)

**12 Non Current Financial Liability- Borrowing**

| (₹ in lakhs)                   |             |                     |                     |
|--------------------------------|-------------|---------------------|---------------------|
| Particulars                    | Ref Note No | As at March 31,2019 | As at March 31,2018 |
| <b>Unsecured Loans:</b>        |             |                     |                     |
| <b>Loan from Related Party</b> |             |                     |                     |
| Loan from Holding Company      | 12.1 & 21   | 12.10               | -                   |
| <b>Total</b>                   |             | <b>12.10</b>        | <b>-</b>            |

- 12.1 During the year, the terms of repayment of loans which were repayable within March 31, 2019, were modified by the Board of Directors of the Holding Company in respect of loans repayable on or before 31st March,2019. In terms of the modification to the repayment terms, these loans are repayable within March 31, 2022. Accordingly, the gross amount of the loan has been re-calculated resulting in modification gain of Rs. 4.90/- lakhs and such gain has been recognised in the Statement of Profit and Loss. (Refer Note 17). Accordingly, these borrowings have been classified as Non- Current.

**13 Current Financial Liability- Borrowing**

| (₹ in lakhs)                   |             |                     |                     |
|--------------------------------|-------------|---------------------|---------------------|
| Particulars                    | Ref Note No | As at March 31,2019 | As at March 31,2018 |
| <b>Unsecured Loans:</b>        |             |                     |                     |
| <b>Loan from Related Party</b> |             |                     |                     |
| Loan from Holding Company      | 21          | -                   | 16.07               |
| <b>Total</b>                   |             | <b>-</b>            | <b>16.07</b>        |

**14 Trade Payables**

| (₹ in lakhs)   |             |                     |                     |
|--|-------------|---------------------|---------------------|
| Particulars  | Ref Note No | As at March 31,2019 | As at March 31,2018 |
| <b>For goods and services</b>  |             |                     |                     |
| Total outstanding dues of Micro and Small Enterprises                      | 14.1        | -                   | -                   |
| Total outstanding dues of creditors other than Micro and Small Enterprises |             | 0.30                | 0.33                |
| <b>Total</b>   |             | <b>0.30</b>         | <b>0.33</b>         |

- 14.1 The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) and hence disclosure relating to amounts unpaid as at the year end together with interest paid/ payable under the Act has not been given.

**15 Current-Other Financial Liabilities**

| (₹ in lakhs)                          |             |                     |                     |
|---------------------------------------|-------------|---------------------|---------------------|
| Particulars                           | Ref Note No | As at March 31,2019 | As at March 31,2018 |
| <b>Interest accrued on borrowings</b> |             |                     |                     |
| - Related Parties                     | 21          | 9.64                | 9.64                |
| <b>Total</b>                          |             | <b>9.64</b>         | <b>9.64</b>         |

**16 Other Current Liabilities**

| (₹ in lakhs)                    |             |                     |                     |
|---------------------------------|-------------|---------------------|---------------------|
| Particulars                     | Ref Note No | As at March 31,2019 | As at March 31,2018 |
| Statutory Liabilities/ Payables |             | -                   | 0.02                |
| <b>Total</b>                    |             | <b>-</b>            | <b>0.02</b>         |



**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**

Notes to Financial Statements for the Year ended 31st March, 2019

**17 Other Income**

(₹ in lakhs)

| Particulars  | Ref Note No | For the year ended on March 31, 2019 | For the year ended on March 31, 2018 |
|--|-------------|--------------------------------------|--------------------------------------|
| Modification gain/ (loss) on financial liabilities | 17.1        | 9.68                                 | -                                    |
| <b>Total</b>                                       |             | <b>9.68</b>                          | <b>-</b>                             |

17.1 Includes gain of Rs. 4.90/- lakhs due to modification in terms of repayment of certain loans from related party (Refer Note 21) and Rs. 4.78 lakhs adjusted from deemed equity (Refer Note 11).

**18 Finance Cost**

(₹ in lakhs)

| Particulars            | Ref Note No | For the year ended on March 31, 2019 | For the year ended on March 31, 2018 |
|------------------------|-------------|--------------------------------------|--------------------------------------|
| Interest on Borrowings | 21          | 1.83                                 | 1.56                                 |
| <b>Total</b>           |             | <b>1.83</b>                          | <b>1.56</b>                          |

**19 Depreciation And Ammortisation**

(₹ in lakhs)

| Particulars                                   | Ref Note No | For the year ended on March 31, 2019 | For the year ended on March 31, 2018 |
|---|-------------|--------------------------------------|--------------------------------------|
| Depreciation on Property, Plant and Equipment | 5           | 8.44                                 | 11.21                                |
| <b>Total</b>                                  |             | <b>8.44</b>                          | <b>11.21</b>                         |

**20 Other Expense**

(₹ in lakhs)

| Particulars                                   | Ref Note No | For the year ended on March 31, 2019 | For the year ended on March 31, 2018 |
|---|-------------|--------------------------------------|--------------------------------------|
| Payment to Auditors (excluding service tax) : |             |                                      |                                      |
| - As Auditors                                 |             | 0.20                                 | 0.20                                 |
| Rates & Taxes                                 |             | 0.57                                 | 0.25                                 |
| Professional Charges                          |             | 0.27                                 | 0.14                                 |
| Fair Value Adjustment on Prepayment of Loan   |             | 0.10                                 | -                                    |
| Miscellaneous Expenses                        |             | 0.07                                 | 0.17                                 |
| <b>Total</b>                                  |             | <b>1.21</b>                          | <b>0.75</b>                          |





**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
Notes to Financial Statements for the Year ended 31st March, 2019

**NOTE 21**

Related Party disclosure as per Indian Accounting Standard (IND AS - 24)

| Relationship  | Name of the Party                  |
|---|------------------------------------|
| a) Holding Company  | Energy Development Company Limited |
| b) Fellow Subsidiaries through the Holding Company  | EDCL Power Projects Limited        |
| c) Key Managerial Personnel (KMP) & their relatives   | Satyendra Pal Singh (Director)     |
|   | Abhijit Banerjee (Director)        |
| d) Individuals having significant influence directly or indirectly (Promoter and their relatives) | Amar Singh                         |
|   | Pankaja Kumari Singh               |
| e) Enterprises over which individuals mentioned in (d) above exercises significant influence      | Startrack Vinimay Private Limited  |

The aggregate amount of transactions with the related parties as mentioned in (a) above is as below :

(₹ in lakhs)

| Particulars  | 2018-19 | 2017-2018 |
|--|---------|-----------|
| Transactions during the year:                                |         |           |
| i) Unsecured Loan received                                   | -       | 2.16      |
| ii) Interest paid on loan received                           | 1.85    | 1.56      |
| iii) Expenses incurred by the party on behalf of the company | 0.02    | 0.00      |
| iv) Expenses Reimbursed to the party                         | 0.02    | 0.00      |
| v) Unsecured loan repaid                                     | 1.02    | -         |
| vi) Modification Gain/ (loss)                                | (4.80)  | -         |

(₹ in lakhs)

| Particulars                   | 31.03.2019 | 31.03.2018 |
|-------------------------------|------------|------------|
| Balances as at the year end : |            |            |
| i) Unsecured Loans            | 12.10      | 16.07      |



The aggregate amount of transactions with the related parties as mentioned in (b) above is as below :

| Particulars  | (₹ in lakhs) |         |
|--|--------------|---------|
|  | 2018-19      | 2017-18 |
| <b>Transactions during the year</b>  |              |         |
| i) Expenses incurred by the company on behalf of the party<br>-EDCL Power Projects Limited   | -            | 0.46    |
| ii) Expenses Reimbursed to the company<br>-EDCL Power Projects Limited                       | -            | 0.46    |
| iii) Expenses incurred by the party on behalf of the company<br>-EDCL Power Projects Limited | -            | 0.02    |
| iv) Expenses Reimbursed to the party<br>-EDCL Power Projects Limited                         | -            | 0.02    |

The aggregate amount of transactions with the related parties as mentioned in (c) above is as below :

| Particulars   | (₹ in lakhs) |         |
|---|--------------|---------|
|   | 2018-19      | 2017-18 |
| <b>Transactions during the year</b>   |              |         |
| i) Expenses incurred by the party on behalf of the company<br>-Abhijit Banerjee | 0.03         | -       |
| ii) Expenses Reimbursed to the party<br>-Abhijit Banerjee                       | 0.03         | -       |

The aggregate amount of transactions with the related parties as mentioned in (e) above is as below :

| Particulars                           | (₹ in lakhs) |            |
|---------------------------------------|--------------|------------|
|                                       | 31.03.2019   | 31.03.2018 |
| <b>Balances as at the year end :</b>  |              |            |
| i) Interest accrued and due (Payable) | 9.64         | 9.64       |

Notes :

i) In respect of above parties, there is no provision for doubtful debts as on 31st March,2019 and no amount has been written off or written back during the year in respect of debts due from/to them.

ii) The above Related Party information is as identified by the Management and relied upon by the auditors.



EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED  
Notes to Financial Statements for the Year ended 31st March, 2019

**NOTE 22**

**Earnings Per Share (EPS) :**

| Particulars                                      | For the year ended<br>on March 31, 2019 | For the year ended<br>on March 31, 2018 |
|--|---|---|
| Profit / (Loss) after Tax (₹ in lakhs)           | (1.16)                                  | (11.04)                                 |
| Weighted Average Number of Equity Shares (in No) | 10,10,000                               | 10,10,000                               |
| Earnings per share - Basic and Diluted (In ₹)    | (0.12)                                  | (1.09)                                  |

**NOTE 23**

**Segment Reporting**

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

The company has not commenced any activities and accordingly there are no operating segments required to be disclosed.

**NOTE 24**

**Tax Expense**

24.1 - Components of Tax Expense

(₹ in lakhs)

| Particulars   | For the year ended<br>on March 31, 2019 | For the year ended<br>on March 31, 2018 |
|---|---|---|
| Current Tax   | -                                       | -                                       |
| In respect of Current Year                              |   |   |
| Deferred Tax  | (0.64)                                  | (2.47)                                  |
| In respect of the current year                          | (0.64)                                  | (2.47)                                  |
| <b>Total Tax expense recognised in the current year</b> | <b>(0.64)</b>                           | <b>(2.47)</b>                           |

24.2 - Reconciliation of Income tax expense for the year with accounting profit is as follows :

(₹ in lakhs)

| Particulars   | For the year ended<br>on March 31, 2019 | For the year ended<br>on March 31, 2018 |
|---|---|---|
| Profit before tax   | (1.80)                                  | (13.51)                                 |
| Applicable Tax Rate   | 26.00%                                  | 26.00%                                  |
| Income tax expense calculated as per Applicable tax rate  | (0.47)                                  | (3.51)                                  |
| Add : Effect of non recognition of Deferred Tax Asset due to lack of availability of sufficient future taxable income | (0.17)                                  | 1.04                                    |
| <b>Income tax expense recognised in profit and loss</b>   | <b>(0.64)</b>                           | <b>(2.47)</b>                           |



**EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED**  
Notes to Financial Statements for the Year ended 31st March, 2019

**25 FINANCIAL INSTRUMENTS**

**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:

| Particulars                                | (₹ in lakhs)          |                       |
|--|-----------------------|-----------------------|
|  | As at 31st March 2019 | As at 31st March 2018 |
| Total Debt (Net of Cash & Cash equivalent) | 11.43                 | 13.25                 |
| Total Equity                               | 101.00                | 101.00                |
| Debt Equity Ratio                          | 0.11                  | 0.13                  |

**Categories of financial instruments**

The carrying value and fair value of financial instruments are as follows :

| Particulars  | (₹ in lakhs)          |                       |
|--|-----------------------|-----------------------|
|  | As at 31st March 2019 | As at 31st March 2018 |
| <b>Financial Assets (Current and Non-Current)</b>      |                       |                       |
| <b>Measured at Amortised Cost</b>                      |                       |                       |
| (i) Trade Receivables                                  | 4.41                  | 4.41                  |
| (ii) Cash & Cash Equivalents                           | 0.67                  | 2.83                  |
| <b>Total</b>   | <b>5.08</b>           | <b>7.24</b>           |
| <b>Financial Liabilities (Current and Non-Current)</b> |                       |                       |
| <b>Measured at amortised Cost</b>                      |                       |                       |
| (i) Borrowings   | 12.10                 | 16.07                 |
| (ii) Trade Payable                                     | 0.30                  | 0.33                  |
| (iii) Other Financial Liabilities                      | 9.64                  | 9.64                  |
| <b>Total</b>   | <b>22.04</b>          | <b>26.04</b>          |

The management considers that the above carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

**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, current borrowings, 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. Fair value of fixed interest rate borrowings approximates their carrying value of such long-term debt approximates fair value subject to adjustments made for transaction cost.

**Fair value hierarchy**

Fair valuation of Financial assets and liabilities not within the operating cycle of the company is amortised based on the borrowing rate of the company.

**Financial Risk Factors**

The Company's activities expose it to a variety of financial risks - market risk, credit risk and liquidity risk. The Board of Directors reviews and approves policies for managing each of these risks, which are summarized below:

**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 price risk, interest rate risk and foreign currency exchange risk. Financial instruments affected by market risk includes borrowings.

**a. Foreign Currency Risk**

The company does not have any transaction in foreign currency and accordingly it is not exposed to foreign currency risk. There are no outstanding Derivative contracts as on 31st March, 2019.

**b. Interest Rate Risk**

The Company's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.



EDCL ARUNACHAL HYDRO PROJECT PRIVATE LIMITED  
Notes to Financial Statements for the Year ended 31st March, 2019

(₹ in lakhs)

| Nature of Borrowing       | Increase in basis points | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---------------------------|--------------------------|-----------------------------------|-----------------------------------|
| Loan from Related Parties | 0.25                     | 0.00                              | 0.00                              |

A decrease in 0.50 basis point in Term Loan and Cash Credit & 0.25 basis point in Other Loans would have an equal and opposite effect on the Company's financial statements.

c. Other price risk

The company is not exposed to any other price risk.

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. However, the company does not face such risks.

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

Financial assets that are past due but not impaired

Trade receivables disclosed include amounts that are past due at the end of the reporting period but against which the Company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Liquidity Risk

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

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

(₹ in lakhs)

| Particulars  | Less than 1 year | 1 year - 3 years | More than 3 years | Total        |
|--|------------------|------------------|-------------------|--------------|
| <b>As at March 31, 2019</b>                                |                  |                  |                   |              |
| Interest bearing borrowings (including current maturities) | 12.10            | -                | -                 | 12.10        |
| Interest Accrued and Due on borrowings                     | 9.64             | -                | -                 | 9.64         |
| Trade Payable  | 0.30             | -                | -                 | 0.30         |
| <b>Total</b>   | <b>22.04</b>     | <b>-</b>         | <b>-</b>          | <b>22.04</b> |
| <b>As at March 31, 2018</b>                                |                  |                  |                   |              |
| Interest bearing borrowings (including current maturities) | 16.07            | -                | -                 | 16.07        |
| Interest Accrued and Due on borrowings                     | 9.64             | -                | -                 | 9.64         |
| Trade Payable  | 0.33             | -                | -                 | 0.33         |
| <b>Total</b>   | <b>26.04</b>     | <b>-</b>         | <b>-</b>          | <b>26.04</b> |

The company's payable includes borrowing from holding company and trade payables. It has current financial assets which will be realised in ordinary course of business and can be used to meet its obligations. 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 internal generation to meet its need for funds.

26 These financial statements have been approved by the Board of Directors of the Company on 30th May 2019 for issue to the shareholders for their adoption.

As per our Report of even date  
For Lodha & Co.  
Chartered Accountants  
Firm's registration No. 301051E

*Prashant Khandelwal*  
Prashant Khandelwal  
Partner  
Membership No. 056652



For and on behalf of the Board of Directors

*Amar Singh*  
Amar Singh (Director) (DIN 00165567)

*Pankaj Kumari Singh*  
Pankaj Kumari Singh (Director) (DIN 00199454)

*Satyendra Pal Singh*  
Satyendra Pal Singh (Director) (DIN 01055370)

Place : New Delhi  
Dated : 30th May, 2019

Inward No. 032 Date 4-2-20  
Recd by Abhishek Time 4:03  
Marked to..Mitin Dutt Sharma