

KANCHANJUNGA

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Members of Kanchanjunga Power Company Private Limited will be held on Thursday, September 30, 2021 at 11:00 a.m. at the Registered Office of the Company at A-26/5, 1st Floor, Street No.8 West Vinod Nagar, East Delhi -110092 to transact the following business:

ORDINARY BUSINESS:

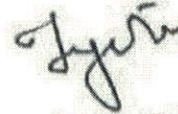
1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on March 31, 2021 together with the Auditors' and Directors' Report thereon.

SPECIAL BUSINESS:

2. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152, Section 161(1) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s), amendment(s), or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company, Mr. Pramod Kumar Arora (DIN: 01898896) who was appointed by the Board of Directors as an Additional Director in the category of Professional Director (Whole Time Director) of the Company with effect from July 01, 2021 be and is hereby appointed as a Director of the Company."

By Order of the Board of Directors
For Kanchanjunga Power Company Private Limited



Jyoti Chawla
Company Secretary
ACS-44668

Place : Noida
Date : August 16, 2021

Address: P-25A, Gali No. 11, Bihari
Colony, Shahdara, Delhi-110032

Kanchanjunga Power Company Private Limited

CIN No.: U74899DL1991PTC046387 | GSTIN: 02AABCK9368H1ZG

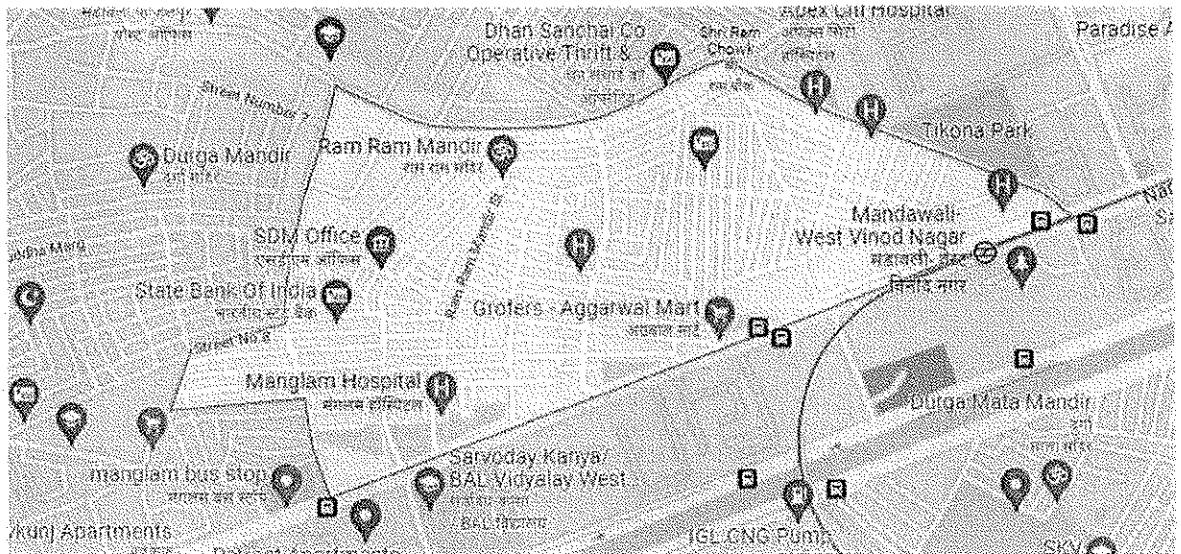
Corporate Office: B-37, 3rd Floor, Sector-1, Noida-201301, Gautam Budh Nagar, (U.P.), India, Board: +91-120 4621300 | Fax: +91-120 4621333

Registered Office: A-26/5, First Floor, Street No. 8, West Vinod Nagar, Delhi-110092

Site: KPCPL Power House, Patnikuhil Shila, Halan II Road, Tehsil Manali, District Kullu-175129, Himachal Pradesh

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective should be lodged with the Company at its Registered Office, at least 48 hours before the commencement of the meeting.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act,2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act,2013 will be available for inspection by the members at the AGM.
5. Route/ Guidance to reach the venue of the Annual General Meeting as required under SS-2



Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business set out in the notice.

ITEM NO. 2.

Mr. Pramod Kumar Arora is a graduate in B.Sc. (Engg.) with over 39 years of technical experience. Keeping in view his expertise, qualifications and experience, the Board of Directors ("Board") appointed Mr. Pramod Kumar Arora (DIN: 01898896) as an Additional Director the category of Executive Professional Director, Whole Time Director of the Company from the date of its appointment i.e. from July 1, 2021 to June 30, 2022. Pursuant to the provisions of Section 161 of the Act and Articles of Association of the Company, Mr. Pramod Kumar Arora will hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed a Director of the Company.

The Company has received from Mr. Pramod Kumar Arora (DIN: 01898896) (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act.

The profile and specific areas of expertise of Mr. Pramod Kumar Arora are provided as annexure to this Notice.

None of the Directors of the Company except Mr. Pramod Kumar Arora is interested in this resolution.

The Board of Directors recommends this resolution for approval of the Members by way of Ordinary Resolution.

Information as Required under Secretarial Standard -2 (SS-2) about the Director proposed to be appointed is as under:

| | |
|--|---|
| Particulars | Mr. Pramod Kumar Arora |
| Age | 63 Years |
| Qualifications | B.Sc. (Engg.) |
| Experience | Over 39 years of experience |
| Terms and Conditions of appointment / re-appointment including remuneration | Remuneration to be paid as per the details provided in the Resolution No. 2 and explanatory statement thereof |
| Remuneration last drawn | Not Applicable |
| Date of first appointment on the Board | July 1, 2021 |
| No. of shares held | NIL |
| Relationship with other Directors, Manager and others Key Managerial Personnel (KMP) | Not related to any other Director or KMP |
| Directorship of other Companies | Director in 1 Company Bhilangana Hydro Power Limited |
| Number of Board Meetings attended during 2020-21 | N.A. |

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U74899DL1991PTC046387
Name of the company: **KANCHANJUNGA POWER COMPANY PRIVATE LIMITED**
Registered office: A-26/5, 1st Floor, Street No.8 West Vinod Nagar Delhi East
Delhi 110092

| |
|---|
| Name of the member (s): Registered address: E-mail Id: Folio No/ Client Id:DP ID |
|---|

I/We, being the member (s) holdingshares of the above named company, hereby appoint:

| | |
|--|---|
| 1. Name: Address: E-mail Id: Signature....., or failing him | 2. Name: Address: E-mail Id: Signature:..... |
|--|---|

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual general meeting of the company, to be held on the Thursday, September 30, 2021 at 11 a.m. at Registered Office of the Company at A-26/5, 1st Floor, Street No.8 West Vinod Nagar, Delhi-110092 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1.....

2.....

Signature of shareholder



Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

DIRECTORS' REPORT

To
The Members

Kanchanjunga Power Company Private Limited

Your Directors have pleasure in submitting the 30th Annual Report and Audited Financial Statements for the year ended March 31, 2021.

1. FINANCIAL RESULTS

During the year under review, your company reported turnover of **Rs. 4107.71 Lacs** as against **Rs. 4316.80 Lacs** in corresponding previous year. Your Company earned a cash profit of **Rs. 1043.82 Lacs** as against **Rs. 1340.19 Lacs** in previous year.

The financial results of the Company for the current year (2020-21) and the previous year (2019- 20) are summarized hereunder:

| Rs. In Lacs | | | |
|-------------|--|----------------------------------|----------------------------------|
| Sn | Particulars | 01 Apr 2020 to 31 Mar-2021 | 01 Apr 2019 to 31 Mar 2020 |
| (a) | Revenue from sale of Power | 4107.71 | 4316.80 |
| (b) | Less: Operating Expenditure | 1897.85 | 1697.30 |
| (c) | Operating Profit | 2209.86 | 2619.50 |
| (d) | Add: Other Income | 107.94 | 81.34 |
| (e) | Profit before Interest, Depreciation and Tax | 2317.80 | 2700.84 |
| (f) | Less: Finance Cost | 1273.98 | 1360.65 |
| (g) | Profit before Depreciation and Tax | 1043.82 | 1340.19 |
| (h) | Less: Depreciation | 1854.77 | 2182.88 |
| (i) | Profit before Tax and Extraordinary Items | (810.95) | (842.69) |
| (j) | Extraordinary Items | 125.07 | 610.14 |
| (k) | Profit before Tax | (936.02) | (1452.83) |
| (l) | Less: Provision for taxes | - | - |
| | Less : Deferred Tax | (654.05) | (372.15) |
| | Less: Tax adjustment for earlier year | - | - |
| (m) | Net Profit/(Loss)after tax available for Appropriations | (281.97) | (1080.68) |
| (n) | Appropriations | - | - |
| (o) | Leaving a balance to be carry forward | (281.97) | (1080.68) |

2. BUSINESS OPERATIONS

Your Company's operations, being an essential service, continued during the COVID 19 pandemic with minimal disruptions while maintaining and observing the prescribed safety protocols/ guidelines issued from time to time.

The plant generated 101.22 Million Units (MUs) of power during the current financial year achieving 98% of the designed energy as against 110.66 MUs of power during the previous year achieving 107% of the designed energy.

The energy generated during the period has been sold through a power trader to a local distribution company on a short term basis and the sale proceeds have been received in a timely manner.

3. SUBSIDIARY & HOLDING COMPANIES

The Company is a Subsidiary of Lingaraj Portfolios Private Limited, which holds 90.00% of the equity share capital of the Company.

Further, your Company does not have any Subsidiary Company, Associate Company or Joint Venture.

4. DIVIDEND AND TRANSFER TO RESERVES

In view of inadequacy of Profits, your Directors regret their inability to recommend any Dividend.

5. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of your company during the year under review.

6. MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the company to which financial statements relate and on the date of this report.

7. REDEMPTION OF NON CONVERTIBLE DEBENTURES

During the year, Company has redeemed Rs. 5,00,00,000/- (Rupees Five Crores only) from Non- Convertible Debentures Series 1-A by exercising Clause 2.2 of Debenture Trust Deed dated February 15, 2018.

8. SHIFTING OF REGISTERED OFFICE

The Registered office of the Company has been shifted from E-333, 1st Floor, New Ashok Nagar, Vasundhara Enclave, New Delhi - 110096 to A-26/5, 1st Floor, Street No. 8, West Vinod Nagar, Delhi-110092 with effect from February 1, 2021.

9. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, Company has not granted any Loans or provided any guarantees or securities or made any investments covered under the provisions of Section 186 of the Companies Act, 2013 ('the Act').

10. DEPOSITS FROM PUBLIC

The Company has not accepted any deposit from public during the Financial Year 2020-21. There were no unclaimed deposits as at March 31, 2021.

11. RISK MANAGEMENT

The Company is not required to have any formal Risk Management Policy. However, various risks associated with the business of the Company are periodically reviewed by the Board.

12. INTERNAL FINANCIAL CONTROL

The Company has laid down well defined Internal Financial Controls. In the opinion of Board Internal Financial Controls affecting the financial statements are adequate and are operating effectively.

13. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3) of the Act, in relation to the Financial Statements for the Financial Year 2020-21, the Board of Directors state that : -

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2021 and Profit or Loss of the Company for the year ended on March 31, 2021;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) Annual accounts have been prepared on a 'going concern' basis;
- v) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively; and
- vi) Adequate internal financial controls have been laid and effectively followed by the Company

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the Financial Year 2020-21, Mr. Rohit Saraf, Mr. Vibhav Saraf (Whole Time Director) and Mr. Kumar Uday Pratap Ajay (Whole Time Director), Mr. Shivam Rohitkumar Saraf and Mr. Anirudh Saraf served on the Board.

However, with effect from May 16, 2021 Mr. Kumar Uday Pratap Ajay was no longer on the Board of the Company due to his sudden demise by COVID pandemic.

Mr. Pramod Kumar Arora have been appointed as an Additional Director in the category of Executive Professional, Whole Time Director on the Board of Company w.e.f July 1, 2021.

The Company is not required to appoint Key Managerial Personnel as per the provisions of Section 203 of the Companies Act, 2013 read with Rules made there under except the appointment of Company Secretary in whole time employment.

Mrs. Jyoti Chawla, an Associate member of Institute of Company Secretaries of India (ICSI) is serving as a Company Secretary of the Company.

15. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2020-21, four meetings of the Board were held and the gap between 11/02/2020 (i.e. last meeting for the Financial year 2019-2020) and 19/06/2020 (i.e. first meeting for the Financial year 2020-2021) two meetings was not more than 120 days but within the timelines as provided by MCA under General Circular No. 11 /2020.

The dates of meetings were: June 19, 2020, September 10, 2020, December 4, 2020 and February 16, 2021.

16. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The provisions of Section 178(1) of the Companies Act, 2013 relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

During the year, the Company has paid remuneration to Mr. Vibhav Saraf and Mr. Kumar Uday Pratap Ajay, Whole Time Directors and Mrs. Jyoti Chawla, Company Secretary of the Company, the details are which are shown in the audited financials

14. AUDIT COMMITTEE

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 relating to constitution of Audit Committee are not applicable to the Company.

15. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

The provisions of Section 135 of the Companies Act, 2013 relating to constitution of CSR Committee and CSR Policy are not applicable to the Company.

16. VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 relating to framing of Vigil Mechanism for Directors and employees are not applicable to the company.

17. AUDITORS

Internal Auditors:

M/s. Lodha & Co., Chartered Accountants (FRN: 301051E), existing Internal Auditors of the Company have been reappointed for the Financial Year 2021-22.

Statutory Auditors

M/s. Jain Pramod Jain & Co., Chartered Accountants (FRN: 016746N), Statutory Auditors of the Company were appointed as the Statutory Auditors of the Company in the Annual General Meeting held on September 26, 2019 for a period of 5 years to hold office from the conclusion of 28th Annual General Meeting (AGM) upto the conclusion of 32nd AGM of the Company to be held in 2023. In view of changes in the Companies Act, item relating to ratification of appointment of Auditors is not required to be placed before the Members.

The comments made on the financial statements referred to in the report of the Auditors are self-explanatory and do not need further explanations.

There are no adverse comments or qualifications in their Audit Report. Further there was no fraudulent activity reported by the Auditors of the Company for the financial Year 2020-21.

18. OTHER STATUTORY INFORMATION

Furnishing of information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo prescribed under Section 134(3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is given in Annexure-A.

19. COST RECORD

The provisions of Cost audit as per section 148 of the Companies Act, 2013 are not applicable to the Company.

20. CONSTITUTION OF COMMITTEE - SEXUAL HARASSMENT AT WORKPLACE

The Company has also laid down a Policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and constitute Internal Complaints Committee to redress the complaints. There were no complaints received during the year.

21. RELATED PARTY TRANSACTIONS

During the year, Company has entered into related party transaction in the ordinary course of business and on arms length basis, details of which are given in the Financial Statements.

22. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals during the year impacting the going concern status and Company's operations in future.

23. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the provisions of Secretarial Standard-1 (Secretarial Standard on meetings of Board of Directors) and Secretarial Standard-2 (Secretarial Standard on General meetings).

24. ACKNOWLEDGEMENT

The Board of Directors wish to express their gratitude for the cooperation, guidance and support received from the Government of India, Government of Himachal Pradesh and the Lenders/Banks and stakeholders associated with the Company.

Your Directors wish to place on record their appreciation of the efforts and contribution of the employees which made it possible for your Company to achieve the performance in the current year and adherence to COVID- 19 protocols/guidelines.

Further, the Company as a responsible corporate citizen is taking necessary initiatives and steps to ensure cordial relationship with the local populace and preserving the environment.

On behalf of the Board of Directors of
Kanchanjunga Power Company Private Limited



Pramod Kumar Arora
Whole Time Director
DIN : 01898896



Rohit Saraf
Director
DIN : 00003994

Place: Noida
Date: August 16, 2021

ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report.

(A) CONSERVATION OF ENERGY:

As an ongoing process, the Company has undertaken measures to conserve and reduce energy in all its activities including general lighting, use of computers, utilities in office premises as well as various construction activities it undertakes.

(B) TECHNOLOGY ABSORPTION :

The Company during the period under review is operating a hydro power project. The Company has an in-house engineering team which undertakes the engineering for these projects and also decides the technology which is required for the same. The Company also continually aims to improve efficiencies in its operating activities with the aim to reduce down time and costs by adopting such technologies which results in improvement of efficiencies.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

Foreign Exchange Earnings and Out Go during the Financial Year ended March 31, 2021 is as under:

| | |
|----------------------------------|---|
| Earning in Foreign Exchange: | Rs. Nil (Previous Year- Rs. Nil) |
| Expenditure in Foreign Exchange: | Rs. Nil (Previous Year- Rs. 2.61 Lakhs) |

INDEPENDENT AUDITORS' REPORT

To the Members of Kanchanjunga Power Company Private Limited

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Kanchanjunga Power Company Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss, the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after 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 of the Company as at 31st March, 2021, and its Loss and its cash flows for the year ended on that date.

Basis for 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Annual report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's Report. 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



Responsibility of Management 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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 auditor's 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 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.



- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) Our report on the internal financial control under clause i of sub section 3 of section 143 of the Act is enclosed as per Annexure-B.
- g) 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, the company has not paid/provided any remuneration to its directors hence provisions of section 197 of the Act are not applicable on the company.
- h) 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 has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For JAIN PRAMOD JAIN & CO.
Chartered Accountants
Firm's Registration No. 016746N


(Amber Jaiswal)
Partner
Membership No. 550715
UDIN: 21550715AAAAAU4778



Place: New Delhi
Date: 16.08.2021

Annexure A to Independent Auditors' Report of Kanchanjunga Power Company Private Limited
(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date for the year ended 31.03.2021)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) Fixed assets have been physically verified by the management according to the regular programme of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification;
- (c) The title deeds of immovable properties are held in the name of the company except in the following cases

| Immovable Property | Gross Block | Net Block | Remark |
|--|-------------|-----------|--|
| 1. Lease Hold Land | 75557546 | 65467507 | Original lease is registered in the name of the Government of Himachal Pradesh and sub lease is entered with our company |
| 2. Hydraulic works, Building and Roads | 849696616 | 208354819 | Hydraulic works and road were constructed for our Power Plant. |
| 3. Building-Hydro Electric Plant | 70969028 | 36966631 | Building was constructed on lease hold land for Power Plant. |

- ii. The inventories of the company at all its locations have been physically verified by the management at reasonable intervals and the discrepancies which were noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured unsecured to companies, firms or other parties covered in the register maintained under section -189 of the Companies Act, 2013. Accordingly, the clause iii of the order is not applicable.
- iv. The company has complied with provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities.
- v. The Company has not accepted any deposit from public.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima-facie, prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate and complete;
- vii. (a) According to the information and explanations and records of the Company, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate



authorities. There are no arrears of outstanding statutory dues for a period of more than six months from the date they became payable as on 31st March, 2021;

- (b) According to the records and information and explanations given to us, there are no dues in respect of custom duty, income tax or sales tax or service tax or excise duty or value added tax that have not been deposited on account of any dispute.
- viii. The Company has not defaulted in repayment of loans or borrowings to a financial institution, banks or government.
- ix. Moneys raised by way of term loans were applied for the purposes for which those are raised.
- x. Based upon the audit procedure performed and information and explanation given to us, we report that no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi. Managerial Remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of section 197 read with schedule V of the Companies Act, 2013.
- xii. Provision of Nidhi Company is not applicable to the Company.
- xiii. All transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements, etc as required by the applicable accounting standard.
- xiv. The company has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year under review.
- xv. The company has not entered into any non-cash transaction with Directors or persons connected with him.
- xvi. The company is not required to be registered under section 45-1A of the Reserve Bank of India Act 1934.

For JAIN PRAMOD JAIN & CO.
Chartered Accountants
Firm's Registration No. 016746N


(Amber Jaiswal)
Partner
Membership No. 550715
UDIN: 21550715AAAAAU4778



Place: New Delhi
Date: 16.08.2021

Annexure B to the Independent Auditors' report of even date on the Standalone Financial Statement of Kanchanjunga Power Company Private Limited.

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 for the year ended 31.03.2021.

We have audited the internal financial controls over financial reporting of **Kanchanjunga Power Company Private Limited** as at March 31,2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company's Management is responsible for establishing and maintaining internal financial controls based on the Internal Control over financial reporting criteria established by the Company considering the essential components of Internal control stated in the "Guidance Note on Audit of the Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with Guidance note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standard on Auditing, issued by ICAI prescribed under section 143 (10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and disposition of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement 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 over Financial Reporting

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



Opinion

In our opinion, the Company has in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India.

For JAIN PRAMOD JAIN & CO.
Chartered Accountants
Firm's Registration No. 016746N



(Amber Jaiswal)
Partner
Membership No. 550715
UDIN: 21550715AAAAAU4778



Place: New Delhi

Date: 16.08.2021

BALANCE SHEET AS AT 31 MARCH 2021


| | Particulars | Note No. | As at 31st March'2021 (Rs.) | As at 31st March'2020 (Rs.) |
|------------|--|----------|-----------------------------|-----------------------------|
| I. | EQUITY AND LIABILITIES | | | |
| | Shareholder's funds | | | |
| | Share capital | 2 | 67,14,00,000 | 67,14,00,000 |
| | Reserve and surplus | 3 | (66,18,00,316) | (63,36,02,656) |
| | Non current liabilities | | | |
| | Long-term borrowings | 4 | 1,22,00,00,000 | 1,28,00,00,000 |
| | Other long term liabilities | 5 | 33,13,56,441 | 34,77,87,981 |
| | Long-term provisions | 6 | 7,13,59,660 | 7,87,45,997 |
| | Current liabilities | | | |
| | Trade payables | 7 | | |
| | -Total outstanding dues of micro enterprises and small enterprises | | 2,42,965 | 37,262 |
| | -Total outstanding dues of creditors other than micro enterprises and small enterprises. | | 2,93,00,624 | 2,51,59,788 |
| | Other current liabilities | 8 | 4,57,97,215 | 2,94,31,187 |
| | Short term provisions | 9 | 1,06,284 | 80,289 |
| | | | 1,70,77,62,873 | 1,79,90,39,848 |
| II. | ASSETS | | | |
| | Non-current assets | | | |
| | Property, plant and equipment | | | |
| | Tangible assets | 10 | 1,03,88,62,785 | 1,22,29,70,719 |
| | Deferred tax assets (net) | 11 | 29,01,84,486 | 22,47,78,715 |
| | Long-term loans and advances | 12 | 18,22,14,085 | 18,56,10,258 |
| | Other non-current assets | 13 | - | 1,10,40,000 |
| | Current assets | | | |
| | Current investments | 14 | 3,08,62,003 | 5,34,36,798 |
| | Inventories | 15 | 2,09,31,473 | 2,19,71,514 |
| | Trade receivables | 16 | 1,01,56,955 | 1,03,98,755 |
| | Cash and bank balances | 17 | 10,37,49,177 | 4,76,43,765 |
| | Short-term loans and advances | 18 | 3,07,51,969 | 1,94,88,731 |
| | Other current assets | 19 | 49,940 | 17,00,593 |
| | | | 1,70,77,62,873 | 1,79,90,39,848 |

Significant accounting policies

The accompanying notes 1 to 39 are integral part of the financial statements


As per our report of even date attached

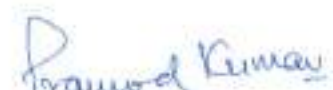
For Jain Pramod Jain & Co.
Chartered Accountants
FRN: 016746N


(Amber Jaiswal)
PARTNER
Membership No. 550715
UDIN : 21550715AAAAAO3732



ON BEHALF OF THE BOARD OF DIRECTORS


Shivam Saraf
Director
DIN: 06687814


Pramod Kumar Arora
Wholetime Director
DIN:01898896


Jyoti Chawla
Company Secretary

Place:
Date: 16 August 2021

Place: Noida
Date: 16 August 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

| | Particulars | Note No. | Current Year 2020-21 (Rs.) | Previous Year 2019-20 (Rs.) |
|------|---|----------|----------------------------|-----------------------------|
| I | Revenue from operations | 20 | 41,07,70,659 | 43,16,79,610 |
| II | Other income | 21 | 1,07,94,230 | 81,34,124 |
| III | Total Revenue (I + II) | | 42,15,64,889 | 43,98,13,734 |
| IV | Expenses: | | | |
| | Employee benefits expenses | 22 | 4,08,13,658 | 2,57,40,136 |
| | Depreciation and amortization expense | 10 | 18,54,77,407 | 21,82,88,349 |
| | Finance costs | 23 | 12,73,97,817 | 13,60,65,257 |
| | Other expenses | 24 | 14,89,71,519 | 14,39,90,065 |
| | Total expenses | | 50,26,60,401 | 52,40,83,807 |
| V | Profit / (Loss) before extraordinary expenses (III-IV) | | (8,10,95,512) | (8,42,70,073) |
| VI | Extraordinary expenses | 25 | 1,25,07,919 | 6,10,14,424 |
| VII | Profit / (Loss) before tax (V-VI) | | (9,36,03,431) | (14,52,84,497) |
| | Tax expense: | | | |
| | Current tax | | - | - |
| | Deferred tax | | - | - |
| | Tax paid/(adjusted) for earlier years | | (6,54,05,773) | (3,72,15,340) |
| VIII | Profit/(Loss) after tax | | (2,81,97,660) | (10,80,69,157) |
| IX | Earnings per equity share: | 26 | | |
| | (1) Basic | | (3.27) | (7.23) |
| | (2) Diluted | | (3.27) | (7.23) |
| | Nominal value of equity shares | | 10 | 10 |

Significant accounting policies

The accompanying notes 1 to 39 are integral part of the financial statements
As per our report of even date attached

1


For Jain Pramod Jain & Co.
Chartered Accountants
FRN: 016746N


(Amber Jaiswal)

PARTNER
Membership No. 550715
UDIN : 21550715AAAAAO3732



ON BEHALF OF THE BOARD OF DIRECTORS


Shivani Saraf
Director
DIN: 06689314


Pramod Kumar Arora
Wholesale Director
DIN: 01838896


Jyoti Chawla
Company Secretary

Place:
Date: 15 August 2021

Place: NOIDA
Date: 15 August 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

| Sr | Particulars | | Current Year 2020-2021 (Rs.) | Previous Year 2019-2020 (Rs.) |
|----------|---|-------------|------------------------------------|-------------------------------------|
| A | CASH FLOW FROM OPERATING ACTIVITIES | | | |
| | Net profit before tax | | (8,10,95,512) | (8,42,70,073) |
| | Adjustments for: | | | |
| | Depreciation | | 18,54,77,407 | 21,82,88,349 |
| | Interest and finance charges | | 12,73,97,817 | 13,60,65,257 |
| | Interest income | | (56,13,598) | (29,60,310) |
| | Net (gain) / loss on sale of investments | | (51,77,957) | (51,12,321) |
| | Operating profit before working capital changes | | 22,09,88,157 | 26,20,10,902 |
| | (increase) / Decrease in trade receivables | | 2,41,800 | (13,08,059) |
| | (increase) / Decrease in other receivables | | (72,43,935) | 57,103 |
| | (increase) / Decrease in inventories | | 10,40,041 | (81,97,967) |
| | increase / (Decrease) in trade and other payables | | 33,52,225 | 2,14,26,396 |
| | Cash generated from / (used in) operations | | 21,83,78,288 | 27,39,88,375 |
| | Income taxes paid including TDS (net of refund) | | (6,23,129) | (2,98,239) |
| | Cash flow before extraordinary items | | 21,77,55,158 | 27,36,90,136 |
| | Restoration expenses post flood | | (1,25,07,919) | (6,10,14,424) |
| | NET CASH FROM / (USED IN) OPERATING ACTIVITIES | (A) | 20,52,47,239 | 21,26,75,712 |
| B | CASH FLOW FROM INVESTING ACTIVITIES | | | |
| | Payment for purchase of property, plant and equipment's | | (13,69,473) | (4,80,732) |
| | Sale of mutual funds | | 50,45,45,427 | 41,59,48,692 |
| | Purchase of mutual funds | | (47,67,92,676) | (46,42,73,169) |
| | Interest received | | 72,64,251 | 27,92,896 |
| | Purchase of term deposits | | (2,42,08,797) | (1,66,21,985) |
| | NET CASH FROM / (USED IN) INVESTING ACTIVITIES | (B) | 94,38,732 | (6,26,34,298) |
| C | CASH FLOW FROM FINANCING ACTIVITIES | | | |
| | Redemption of debenture | | (5,00,00,000) | - |
| | Proceeds from unsecured loan | | - | 2,75,00,000 |
| | Repayment of unsecured loan | | - | (4,45,00,000) |
| | Repayment of project liabilities | | (1,64,31,540) | (14,40,595) |
| | Interest and finance charges | | (12,73,97,817) | (13,60,65,257) |
| | NET CASH FROM / (USED IN) FINANCING ACTIVITIES | (C) | (19,38,29,357) | (15,45,05,852) |
| | NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | (A + B + C) | 2,08,56,614 | (44,64,438) |
| | Cash and cash equivalent at beginning of year | | 68,41,223 | 1,13,05,661 |
| | Cash and cash equivalent at end of year | | 2,76,97,837 | 68,41,223 |
| | NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | | 2,08,56,614 | (44,64,438) |
| | Cash and cash equivalents comprise of : | | | |
| | -Cash on hand | | 5,67,280 | 4,39,927 |
| | -Balance with schedule banks in current accounts | | 2,71,30,558 | 64,01,296 |
| | | | 2,76,97,838 | 68,41,223 |

Significant accounting policies

1

The accompanying notes 1 to 39 are integral part of the financial statements

Notes:


- All figures in bracket are outflow.
- Cash and cash equivalents is as per balance sheet except for term deposits not considered as cash and cash equivalents if the maturity date is beyond three months.
- Above cash flow statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS)-3 on "Cash Flow Statements".


For Jain Pramod Jain & Co.
Chartered Accountants
FRN: 016746N


(Amber Jainwal)
PARTNER
Membership No. 550715
UDIN : 21550715AAAAA03732



ON BEHALF OF THE BOARD OF DIRECTORS


Shivam Seraf
Director
DIN: 06687814


Pramod Kumar Arora
Wholtime Director
DIN:01898896


Jyoti Chawla
Company Secretary

Place:
Date: 16 August 2021

Place: 
Date: 16 August 2021

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1(A) Corporate Information

Kanchanjunga Power Company Private Limited ("the Company") is a private limited company incorporated in India. The registered office of the Company is located at E-333, 1st Floor New Ashok Nagar, Vasundhara Enclave New Delhi-110096. The Company is engaged in the activity of generation of electricity.

1(B) Significant accounting policies

(a) Basis of accounting:

The financial statements have been prepared in compliance with all material aspects of the Accounting Standards presented in the Companies (Accounting Standard) Rules, 2006 notified by the Central Government, to the extent applicable and in accordance with the relevant provisions of the Companies Act, 2013.

The financial statements are prepared on the basis of historical cost convention, in accordance with the applicable accounting standards and on the basis of a going concern.

The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

(b) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Revenue Recognition

- i) Revenue from Sale of Energy is accounted for on the basis of transfer of electric energy to customers.
- ii) Insurance / other claims are recognized only when it is reasonably certain that the ultimate collection will be made.
- iii) Sale of Certified Emission Reduction (CER) is recognized as income on the delivery of the CER to the customer's account as evidenced by the receipt of confirmation of execution of delivery instructions.
- iv) Sale of Renewal Energy Certificate (REC) is recognized as income on sale through recognized exchange.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(d) Property, Plants and Equipment:

- i) Rights (Intangible Assets) are recognized if the future economic benefit attributable to the assets is expected to flow to the Company and the cost of the assets can be measured reliably.
- ii) Property, plants and equipment (tangible / intangible) are stated at cost less depreciation / amortisation. The cost of assets comprises of purchase price and any attributed cost of bringing the assets to present working condition for its intended use i.e. cost of acquisition of assets and incidental expenditure incurred up-to the date of installation / use.
- iii) Life of Property, Plant and Equipment's has been reviewed at year end which is in accordance of Schedule II of Companies Act, 2013.

(e) Depreciation / amortization:

- i) Depreciation is provided on the Written Down Value method by depreciating carrying amount of Property, plant and equipment over remaining useful life of the assets as per schedule II of the Companies Act 2013. The life of assets is restricted till project concession period.
- ii) Individual asset costing less than or equal to Rs. 5,000 are written off in the year of purchase.
- iii) Freehold land is stated at its book value.
- iv) Leasehold land is amortized over the period of lease with effect from the year of capitalization.

(f) Government Grants:

The Government Grants are considered for inclusion in accounts when there is reasonable assurance to comply with the conditions attached to them and it is reasonably certain that the ultimate collection will be made. Government Grants in the nature of Capital Contribution are treated as Capital Reserve which neither be distributed as dividend nor considered as deferred income.

(g) Pre-operative expenditure during construction period:

Expenditure incurred during construction period (other than capital work-in-progress) on Project is carried forward as Pre-operative expenditure during construction period (pending capitalization / allocation) net of income during construction period and has been allocated to fixed assets on the commencement of commercial production.

(h) Inventories:

Inventories of stores and spares are valued at lower of cost and net realizable value. Cost is ascertained on weighted average cost basis.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(i) **Provision for taxation:**

The project of the Company is eligible undertakings for deduction under Section 80IA of the Income Tax Act, 1961. Tax expense comprises of current and deferred taxes. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act 1961.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognized only to the extent that there is reasonable / virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Based on Accounting Standard Interpretation 5 (AS) – 15 issued by ICAI, the deferred tax in respect of timing differences which originate during the tax holiday period, and reverse during the tax holiday period, should not be recognized to the extent the gross total income of the enterprise is subject to such deductions.

(j) **Retirement benefits:**

i) **Defined Contribution Plan**

Provident Fund, Superannuation Fund and National pension fund

Company's contributions for eligible employees towards employee's provident fund, superannuation fund and National pension fund are charged to revenue account.

ii) **Defined benefit plans**

Gratuity

The Company has a defined benefit plan namely Gratuity for all its employees. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method.

Actuarial gains and losses are recognized immediately in the Expenditure during Construction Period Account. The fair value of the plan assets is reduced from the gross obligation under the defined plan, to recognize the obligation on net basis.

Compensated absences

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided based on an actuarial valuation carried out by an independent actuary as at the year-end which is calculated using projected unit credit method and charged to the Expenditure during Construction Period Account.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(k) Foreign currency transaction:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. All monetary assets and monetary liabilities in foreign currencies are translated at the relevant rates of exchange prevailing at the year-end. Non-monetary foreign currency items are carried at cost.

(l) Miscellaneous expenditure:

Preliminary Expenses are written off in the year of expenditure or in the year of commencement of commercial production whichever is earlier.

(m) Provisions, contingent liabilities and contingent assets:

The Company creates a provision when there is a present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(n) Borrowing cost:

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use will be capitalized.

(o) Impairment of assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the revenue account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

(p) Earnings per share

The basic earnings per share ("EPS") is computed by dividing the net profit / (loss) after tax for the year available for the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit / (loss) after tax for the year available for equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2 SHARE CAPITAL

| Particulars | As at 31st March'2021 (Rs.) | As at 31st March'2020 (Rs.) |
|--|-----------------------------------|-----------------------------------|
| Authorised | | |
| 2,01,42,010 (previous year 2,01,42,010) equity shares of Rs.10 each | 20,14,20,100 | 20,14,20,100 |
| 48,51,000 (previous year 48,51,000) preference shares of Rs.100 each | 48,51,00,000 | 48,51,00,000 |
| Total | 68,65,20,100 | 68,65,20,100 |
| Issued, subscribed and paid up shares | | |
| 2,01,42,010 (previous year 2,01,42,010) equity shares of Rs.10 each fully paid up | 20,14,20,100 | 20,14,20,100 |
| 46,99,799 (previous year 46,99,799) 8% non-cumulative redeemable preference shares of Rs.100 each fully paid up | 46,99,79,900 | 46,99,79,900 |
| Total | 67,14,00,000 | 67,14,00,000 |

(a) Reconciliation of the number of shares outstanding

i) Equity shares

| Particulars | As at 31-Mar-21 | | As at 31-Mar-20 | |
|--|--------------------|---------------------|--------------------|---------------------|
| | Number | Rs. | Number | Rs. |
| Shares outstanding as at the beginning of the year | 2,01,42,010 | 20,14,20,100 | 2,01,42,010 | 20,14,20,100 |
| Additions during the year | - | - | - | - |
| Deletion during the year | - | - | - | - |
| Shares outstanding as at the end of the year | 2,01,42,010 | 20,14,20,100 | 2,01,42,010 | 20,14,20,100 |

ii) 8% Non cumulative redeemable preference shares

| Particulars | As at 31-Mar-21 | | As at 31-Mar-20 | |
|--|--------------------|---------------------|--------------------|---------------------|
| | Number | Rs. | Number | Rs. |
| Shares outstanding as at the beginning of the year | 46,99,799 | 46,99,79,900 | 46,99,799 | 46,99,79,900 |
| Additions during the year | - | - | - | - |
| Deletion during the year | - | - | - | - |
| Shares outstanding as at the end of the year | 46,99,799 | 46,99,79,900 | 46,99,799 | 46,99,79,900 |

(b) Terms / rights attached to shares

i) Equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of the liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

ii) 8% Non-cumulative redeemable preference shares

8% Non-cumulative redeemable preference shares of Rs 100/- each are redeemable in three annual instalments of Rs 33.33, Rs 33.33 and Rs 33.34 at the end of 15th, 16th and 17th year respectively from the date of allotment. The preference shares carries a call and a put option both at par at any time by giving two months notice. The details of allotment of shares are as under:

| Date of Allotment | Number | Rs. |
|-------------------|------------------|---------------------|
| 28-Mar-12 | 16,80,715 | 16,80,71,500 |
| 30-Oct-12 | 8,40,000 | 8,40,00,000 |
| 24-Mar-14 | 1,90,400 | 1,90,40,000 |
| 23-Mar-15 | 4,47,704 | 4,47,70,400 |
| 12-Jan-16 | 12,41,000 | 12,41,00,000 |
| 13-Mar-19 | 4,69,980 | 4,69,98,000 |
| Total | 48,69,799 | 48,69,79,900 |

| Date of Redemption | Number | Rs. |
|--------------------|-----------------|--------------------|
| 19-Mar-19 | 1,70,000 | 1,70,00,000 |
| Total | 1,70,000 | 1,70,00,000 |

(c) Details of shares held by holding company

| Name of shareholders | As at 31st March'2021 | | As at 31st March'2020 | |
|---|--------------------------|-------------|--------------------------|-------------|
| | No. of Shares | % of shares | No. of Shares | % of shares |
| M/s Lingaraj Portfolios Private Limited | | | | |
| -Equity Shares | 1,81,27,710 | 90.00% | 1,81,27,710 | 90.00% |
| -8% Non-cumulative redeemable preference shares | 42,29,819 | 90.00% | 42,29,819 | 90.00% |

(d) Details of shares in the Company held by each shareholder holding more than 5 percent shares:

i) Equity shares

| Name of shareholders | As at 31st March'2021 | | As at 31st March'2020 | |
|---|--------------------------|-------------|--------------------------|-------------|
| | No. of Shares | % of shares | No. of Shares | % of shares |
| M/s Lingaraj Portfolios Private Limited (Holding Company) | 1,81,27,710 | 90.00% | 1,81,27,710 | 90.00% |
| M/s Sai Urja Hydel Projects Private Limited | 20,14,200 | 10.00% | 20,14,200 | 10.00% |

ii) Preference shares

| Name of shareholders | As at 31st March'2021 | | As at 31st March'2020 | |
|---|--------------------------|-------------|--------------------------|-------------|
| | No. of Shares | % of shares | No. of Shares | % of shares |
| M/s Lingaraj Portfolios Private Limited (Holding Company) | 42,29,819 | 90.00% | 42,29,819 | 90.00% |
| M/s Sai Urja Hydel Projects Private Limited | 4,69,980 | 10.00% | 4,69,980 | 10.00% |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

3 RESERVES AND SURPLUS

| Particulars | As at 31 March 2021 (Rs.) | As at 31 March 2020 (Rs.) |
|--------------------------------------|---------------------------------|---------------------------------|
| Capital Reserve | | |
| Balance at the beginning of the year | 8,90,00,000 | 8,90,00,000 |
| Addition during the year | - | - |
| Balance at the end of the year | 8,90,00,000 | 8,90,00,000 |
| Surplus | | |
| Balance at the beginning of the year | (72,26,02,656) | (61,45,33,499) |
| Addition during the year | (2,81,97,660) | (10,80,69,157) |
| Balance at the end of the year | (75,08,00,316) | (72,26,02,656) |
| Total | (66,18,00,316) | (63,36,02,656) |

4 LONG TERM BORROWINGS

| Particulars | As at 31st March'2021 (Rs.) | As at 31st March'2020 (Rs.) |
|--|-----------------------------------|-----------------------------------|
| Debentures | | |
| 1300 Series 1 Redeemable Non-Convertible Debentures | | |
| Redeemable Non Convertible Debentures Series-1A | 58,00,00,000 | 63,00,00,000 |
| Redeemable Non Convertible Debentures Series-1B | 19,00,00,000 | 19,00,00,000 |
| Redeemable Non Convertible Debentures Series-1C | 18,00,00,000 | 18,00,00,000 |
| Redeemable Non Convertible Debentures Series-1D | 28,00,00,000 | 28,00,00,000 |
| Sub Total | 1,23,00,00,000 | 1,28,00,00,000 |
| Less: current portion - amount disclosed under the head "Other Current Liabilities (refer note B) | | |
| Debentures | | |
| Redeemable Non Convertible Debentures Series-1A | 1,00,00,000 | - |
| Redeemable Non Convertible Debentures Series-1B | - | - |
| Redeemable Non Convertible Debentures Series-1C | - | - |
| Redeemable Non Convertible Debentures Series-1D | - | - |
| Sub Total | 1,00,00,000 | - |
| Total | 1,22,00,00,000 | 1,28,00,00,000 |

During the year, company has redeemed Rs. 5,00,00,000 from Redeemable Non Convertible Debentures Series-1A by exercising clause 2.2 of debenture trust deed dated 15 Feb 2018.

Debentures

Redeemable Non Convertible Debentures Series

Terms of Debentures

| Particular | Nos. | Face value | Nos. of quarterly instalment | Redemption commencing date | Redemption terms |
|---|------|------------|------------------------------|----------------------------|------------------|
| Redeemable Non Convertible Debentures Series-1A | 650 | 10,00,000 | 24 | 31-May-21 | At premium of 1% |
| Redeemable Non Convertible Debentures Series-1B | 190 | 10,00,000 | 1 | 31-May-29 | At premium of 1% |
| Redeemable Non Convertible Debentures Series-1C | 180 | 10,00,000 | 2 | 31-May-29 | At premium of 1% |
| Redeemable Non Convertible Debentures Series-1D | 280 | 10,00,000 | 2 | 31-Jul-29 | At premium of 1% |

Series 1 redeemable non convertible debentures [carrying interest rate as on 31 March 2021 @ 9.09% p.a.(carrying interest rate as on 31 March 2020 @10.43% p.a.]] is secured by first pari-passu charge on Company's immovable and movable assets, intangible assets, cash flows, revenues and receivables both present and future, and a charge by way of an assignment of all the rights, titles & interest under all the project documents, government approvals, insurance policies & uncalled capital and pledge of part of equity holding in the company along with Non Disposal Undertaking, unconditional & irrevocable corporate guarantee from Lingaraj Portfolios Private Limited.

The aforesaid securities is also shared on a pari-passu basis for Non Fund Based Limit of Rs. 5.00 crores availed from Axis Bank Limited.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5 OTHER LONG TERM LIABILITIES

| Particulars | As at 31st March'2021 (Rs.) | As at 31st March'2020 (Rs.) |
|--|-----------------------------------|-----------------------------------|
| Long term project liabilities(including retention money) | 33,13,56,441 | 34,77,87,981 |
| Total | 33,13,56,441 | 34,77,87,981 |

6 LONG TERM PROVISIONS

| Particulars | As at 31st March'2021 (Rs.) | As at 31st March'2020 (Rs.) |
|--|-----------------------------------|-----------------------------------|
| Provision for premium on redemption | 1,23,00,000 | 1,28,00,000 |
| Provision for transmission charges* | 5,68,97,353 | 6,45,51,547 |
| Provision for employee benefits | | |
| Gratuity | 8,93,453 | 5,30,575 |
| Less: Current Portion - Amount disclosed under the head "Short term provisions" (Refer note 9) | (55,655) | (45,710) |
| Compensated absences | 13,75,138 | 9,44,164 |
| Less: Current Portion - Amount disclosed under the head "Short term provisions" (Refer note 9) | (50,629) | (34,579) |
| Total | 7,13,59,660 | 7,87,45,997 |

* The matter with respect to transmission charges is pending before Hon'ble CERC.

7 TRADE PAYABLES

| Particulars | As at 31st March'2021 (Rs.) | As at 31st March'2020 (Rs.) |
|---|-----------------------------------|-----------------------------------|
| Total outstanding dues of micro enterprises and small enterprises | 2,42,965 | 37,262 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises. | 2,93,00,624 | 2,51,59,788 |
| Total | 2,95,43,589 | 2,51,97,050 |

The above information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. Further no interest has been paid during the year and payable as on 31 March 2021 as well as on 31 March 2020 to such parties. This has been relied upon by the auditors.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

8 OTHER CURRENT LIABILITIES

| Particulars | As at 31st March'2021 (Rs.) | As at 31st March'2020 (Rs.) |
|---|-----------------------------------|-----------------------------------|
| Current maturities of long-term debt (refer note 4) | 1,00,00,000 | - |
| Others: | | |
| -Statutory dues(Including TDS and provident fund) | 47,25,957 | 10,91,399 |
| -Bonus payable | 9,01,451 | 4,92,167 |
| -Expenses payable | 3,01,69,807 | 2,78,47,621 |
| Total | 4,57,97,215 | 2,94,31,187 |

9 SHORT TERM PROVISIONS

| Particulars | As at 31st March'2021 (Rs.) | As at 31st March'2020 (Rs.) |
|--|-----------------------------------|-----------------------------------|
| Provision for employee benefits (refer note 6) | | |
| -Provision for gratuity | 55,655 | 45,710 |
| -Compensated absences | 50,629 | 34,579 |
| Total | 1,06,284 | 80,289 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10 A) Tangible Assets

| Particulars | Gross Block | | | | | Accumulated Depreciation | | | | Net Block | |
|--|-----------------------|------------------|------------|-----------------------|---------------------|--|--------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | As at 01-Apr-20 | Additions | (Disposal) | As at 31-Mar-21 | As at 01-Apr-20 | Depreciation charge for the year | On disposals | As at 31-Mar-21 | As at 31-Mar-21 | As at 31-Mar-21 | As at 31-Mar-20 |
| | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) |
| Land | | | | | | | | | | | |
| Freehold | 75,47,732 | - | - | 75,47,732 | - | - | - | - | - | 75,47,732 | 75,47,732 |
| Leasehold | 7,55,57,546 | - | - | 7,55,57,546 | 82,01,100 | 18,88,939 | - | 1,00,90,039 | 6,54,67,507 | 6,73,56,446 | 6,73,56,446 |
| Plant and equipment | | | | | | | | | | | |
| Testing equipment | 17,04,448 | - | - | 17,04,448 | 10,16,305 | 77,262 | - | 10,93,567 | 6,10,881 | 6,88,343 | 6,88,343 |
| Furniture and fixtures | 31,59,661 | 1,41,000 | - | 33,00,661 | 36,05,878 | 2,66,202 | - | 28,72,080 | 4,28,581 | 5,53,783 | 5,53,783 |
| Office equipment | 9,69,170 | 1,31,240 | - | 11,00,410 | 9,23,478 | 76,337 | - | 9,99,815 | 1,00,595 | 45,692 | 45,692 |
| Others | | | | | | | | | | | |
| Computer | 13,00,474 | 5,60,644 | - | 18,61,118 | 11,47,313 | 2,07,867 | - | 33,55,180 | 5,05,938 | 1,53,161 | 1,53,161 |
| Software (integrated with computer) | 17,47,462 | 5,10,251 | - | 22,57,713 | 14,57,305 | 2,06,979 | - | 16,64,284 | 5,93,429 | 2,90,157 | 2,90,157 |
| Vehicle | 13,62,600 | - | - | 13,62,600 | 10,76,427 | 1,50,401 | - | 12,26,828 | 1,35,772 | 2,86,173 | 2,86,173 |
| Communication network | 74,99,248 | - | - | 74,99,248 | 45,01,906 | 8,43,222 | - | 53,45,128 | 21,54,120 | 29,97,342 | 29,97,342 |
| Building - Hydro Electric Plant | 7,09,69,028 | 26,338 | - | 7,09,95,366 | 2,76,08,385 | 64,20,350 | - | 3,40,28,735 | 3,69,66,631 | 4,33,60,643 | 4,33,60,643 |
| Hydraulic work - Building | 79,31,48,203 | - | - | 79,31,48,203 | 50,18,10,836 | 8,35,48,032 | - | 58,53,58,868 | 20,77,89,335 | 29,13,37,367 | 29,13,37,367 |
| Hydraulic work - Hydro Mechanical | 63,19,68,907 | - | - | 63,19,68,907 | 19,46,13,094 | 4,89,90,258 | - | 24,36,03,352 | 38,83,65,555 | 48,73,55,813 | 48,73,55,813 |
| Plant & Machinery - Hydro Electric Plant | 41,47,47,761 | - | - | 41,47,47,761 | 12,86,38,147 | 3,24,50,768 | - | 16,10,88,915 | 25,36,58,846 | 28,61,09,614 | 28,61,09,614 |
| Roads | 5,65,48,413 | - | - | 5,65,48,413 | 5,49,53,522 | 10,29,407 | - | 5,59,82,929 | 5,65,484 | 15,94,891 | 15,94,891 |
| Transmission line | 11,94,71,974 | - | - | 11,94,71,974 | 3,61,78,212 | 93,21,383 | - | 4,54,99,595 | 7,39,72,379 | 8,32,93,762 | 8,32,93,762 |
| Total | 2,18,77,02,627 | 13,69,473 | - | 2,18,90,72,100 | 96,47,31,908 | 18,54,77,407 | - | 1,15,02,09,315 | 1,03,88,62,785 | 1,22,29,70,719 | 1,22,29,70,719 |
| Previous Year | 2,18,72,21,895 | 4,80,732 | - | 2,18,77,02,627 | 74,64,43,559 | 21,82,88,349 | - | 96,47,31,908 | 1,22,29,70,719 | 1,44,07,78,336 | 1,44,07,78,336 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

11 DEFERRED TAX ASSETS

In accordance with the Accounting Standard (AS)-22 "Accounting for Taxes on Income", the deferred tax assets (net) pertaining to timing difference arising for the year ended 31st March 2021 - Rs 29,01,84,486/- (31st March 2020 - Rs. 22,47,78,715/-) have been determined. Major components of deferred tax assets and liabilities arising on account of timing differences as at year end are as under:

| Particulars | As at 31st March'2021 (Rs.) | As at 31st March'2020 (Rs.) |
|--|-----------------------------------|-----------------------------------|
| Deferred tax assets on account of: | | |
| -Business losses and unabsorbed depreciation | 23,99,07,013 | 20,97,42,051 |
| -Other disallowance under IT Act | 5,83,49,495 | 3,75,95,192 |
| Sub-total (a) | 29,82,56,508 | 24,73,37,243 |
| Deferred tax liability on account of: | | |
| -Depreciation | 80,72,022 | 2,25,58,528 |
| Sub-total (b) | 80,72,022 | 2,25,58,528 |
| Total (a) - (b) | 29,01,84,486 | 22,47,78,715 |

12 LONG TERM LOANS AND ADVANCES

| Particulars | As at 31st March'2021 (Rs.) | As at 31st March'2020 (Rs.) |
|---|-----------------------------------|-----------------------------------|
| (Unsecured, considered good) | | |
| Capital advances | 17,97,82,280 | 17,97,82,280 |
| Security deposits | 14,31,805 | 48,27,978 |
| Others (deposit with labour department) | 10,00,000 | 10,00,000 |
| Total | 18,22,14,085 | 18,56,10,258 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

13 OTHER NON-CURRENT ASSETS

| Particulars | As at 31st March'2021 (Rs.) | As at 31st March'2020 (Rs.) |
|--|-----------------------------|-----------------------------|
| Term deposit with maturity of more than twelve months (Term deposits of Rs. 1,10,40,000/- lien marked in favour of Indusind Bank Limited for Bank Guarantee availed for DSRA) | - | 1,10,40,000 |
| Total | - | 1,10,40,000 |

14 CURRENT INVESTMENTS

| Particulars | As at 31st March'2021 (Rs.) | As at 31st March'2020 (Rs.) |
|-----------------------------|-----------------------------|-----------------------------|
| Investment in Mutual Funds* | 3,08,62,003 | 5,34,36,798 |
| Total | 3,08,62,003 | 5,34,36,798 |

These represents investment of temporary surplus funds.

*Details of NAV of mutual funds as on 31st March 2021 are as under:

| Fund Name | Cost | NAV |
|---|--------------------|--------------------|
| HSBC Cash Fund Direct-Growth (Unit 1411.228) | 28,47,231 | 28,91,343 |
| IDFC Cash Fund Direct-Growth (Unit 11484.445) | 2,80,14,772 | 2,85,50,184 |
| Total | 3,08,62,003 | 3,14,41,527 |

*Details of NAV of mutual funds as on 31st March 2020 are as under:

| Fund Name | Cost | NAV |
|--|--------------------|--------------------|
| Aditya Birla Sunlife Liquid Fund -Growth-Regular Plan (34,762 Units) | 1,10,00,000 | 1,10,45,563 |
| Baroda Overnight Fund Regular Plan -Growth (6,025 Units) | 62,00,000 | 63,14,482 |
| Baroda Liquid Fund Plan A -Growth (3,303 Units) | 72,91,281 | 75,09,318 |
| HSBC Cash Fund -Growth (2,121 Units) | 40,70,695 | 41,76,847 |
| IDFC Cash Fund -Growth - Regular Plan (2,121 Units) | 49,16,352 | 50,71,698 |
| Invesco India Liquid Fund -Growth (1,465 Units) | 38,57,677 | 39,76,284 |
| Mirai Asset Overnight Regular- Growth Plan (13,289 Units) | 1,32,89,171 | 1,35,75,872 |
| Sundaram Money Fund Regular-Growth (69,235 Units) | 28,11,622 | 28,83,065 |
| Total | 5,34,36,798 | 5,45,53,129 |

15 INVENTORIES

| Particulars | As at 31st March'2021 (Rs.) | As at 31st March'2020 (Rs.) |
|--|-----------------------------|-----------------------------|
| Store and spares (as taken, valued and certified by the management) | 2,09,31,473 | 2,19,71,514 |
| Total | 2,09,31,473 | 2,19,71,514 |

16 TRADE RECEIVABLES

| Particulars | As at 31st March'2021 (Rs.) | As at 31st March'2020 (Rs.) |
|--|-----------------------------|-----------------------------|
| (Unsecured, considered good) | | |
| Trade receivables for a period less than six months from due for payment | 30,71,250 | 70,85,705 |
| Trade receivables for a period more than six months from due for payment | 70,85,705 | 33,13,050 |
| Total | 1,01,56,955 | 1,03,98,755 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

17 CASH AND BANK BALANCES

| Particulars | As at 31st March'2021 (Rs.) | As at 31st March'2020 (Rs.) |
|---|-----------------------------------|-----------------------------------|
| Cash and cash equivalent | | |
| Cash on hand | 5,67,280 | 4,39,927 |
| Balance with schedule banks in current accounts | 2,71,30,558 | 64,01,296 |
| Other bank balances | | |
| Fixed Deposit for a period of 12 months or less | 7,60,51,339 | 4,08,02,542 |
| a. Term deposits of Rs. 7,21,48,607/- (previous year Rs. Rs. 3,69,60,793/-) lien marked in favour of Indusind Bank Limited for Bank Guarantee availed for DSRA | | |
| b. Term deposit of Rs. 5,88,943/- (previous year Rs. 5,49,554/-) lien in favour of sale tax department for Rs. 3,34,673/- and Rs. 2,54,720/- HP Power Transmission corporation Ltd. | | |
| c. Term deposit of Rs. 2,13,789/- (previous year Rs. 1,92,195/-) lien marked in favour of forest department. | | |
| Total | 10,37,49,177 | 4,76,43,765 |

18 SHORT-TERM LOANS AND ADVANCES

| Particulars | As at 31st March'2021 (Rs.) | As at 31st March'2020 (Rs.) |
|--|-----------------------------------|-----------------------------------|
| (unsecured, considered good) | | |
| Advances recoverable in cash and kind for value to be received | 2,26,36,750 | 1,24,59,727 |
| Prepaid expenses | 69,47,590 | 64,85,004 |
| Advance tax, TDS and self assessment tax | 11,67,629 | 5,44,500 |
| Total | 3,07,51,969 | 1,94,88,731 |

19 OTHER CURRENT ASSETS

| Particulars | As at 31st March'2021 (Rs.) | As at 31st March'2020 (Rs.) |
|--|-----------------------------------|-----------------------------------|
| Interest accrued but not due on term deposit | 49,940 | 17,00,593 |
| Total | 49,940 | 17,00,593 |



Notes to financial statement for the year ended 31 March 2021

20 REVENUE FROM OPERATIONS

| Particulars | Current Year 2020-21 (Rs.) | Previous Year 2019-20 (Rs.) |
|----------------|----------------------------------|-----------------------------------|
| Sale of energy | 41,07,70,659 | 43,16,79,610 |
| Total | 41,07,70,659 | 43,16,79,610 |

21 OTHER INCOME

| Particulars | Current Year 2020-21 (Rs.) | Previous Year 2019-20 (Rs.) |
|---------------------------------------|----------------------------------|-----------------------------------|
| Profit on sale of current investments | 51,77,957 | 51,12,321 |
| Interest income | 56,13,598 | 29,60,310 |
| Foreign exchange gain(net) | 275 | 12,666 |
| Misc. income | 2,400 | 48,827 |
| Total | 1,07,94,230 | 81,34,124 |

22 EMPLOYEE BENEFITS EXPENSES

| Particulars | Current Year 2020-21 (Rs.) | Previous Year 2019-20 (Rs.) |
|---|----------------------------------|-----------------------------------|
| Salaries, wages and allowances | 3,69,91,288 | 2,26,86,477 |
| Contribution to provident and other funds | 26,88,286 | 14,60,746 |
| Staff welfare expense | 11,34,084 | 15,92,913 |
| Total | 4,08,13,658 | 2,57,40,136 |

23 FINANCE COST

| Particulars | Current Year 2020-21 (Rs.) | Previous Year 2019-20 (Rs.) |
|----------------------|----------------------------------|-----------------------------------|
| Interest expenses | 12,68,39,594 | 13,51,12,668 |
| Other borrowing cost | 5,58,223 | 9,52,589 |
| Total | 12,73,97,817 | 13,60,65,257 |



24 OTHER EXPENSES

| Particulars | Current Year | Previous Year |
|---|---------------------|---------------------|
| | 2020-21 (Rs.) | 2019-20 (Rs.) |
| Expenses on sale of energy: | | |
| - Open access charges | - | 89,525 |
| - Discount on sales | 80,57,879 | 78,21,500 |
| - Trading margin | 35,42,887 | 46,00,197 |
| - Transmission charges | 4,07,44,191 | 5,49,09,134 |
| - Deviation settlement charges | 2,25,92,202 | 2,98,45,076 |
| - Other expenses | 35,000 | 35,000 |
| Expenses on sale of renewal energy certificate: | | |
| - Fees and subscription | 1,53,076 | 1,42,277 |
| - Issuance fees-NLDC | - | 2,275 |
| - Other expenses | 18,042 | 20,060 |
| Stores and spares consumed | 70,67,167 | 59,00,548 |
| Rent | 9,27,837 | 12,30,461 |
| Repair and maintenance: | | |
| - Building | 15,70,701 | 22,06,927 |
| - Plant and machinery | 1,37,60,341 | 20,37,954 |
| - Others | 21,50,749 | 10,65,799 |
| Insurance | 1,15,28,273 | 1,23,14,127 |
| Rate, taxes and fees | 2,96,883 | 4,49,979 |
| Housekeeping expenses | 16,74,942 | 9,94,754 |
| Freight, transportation and loading charges | 11,22,007 | 11,56,330 |
| Legal and professional expenses | 1,80,78,164 | 92,32,734 |
| Payment to auditor as: | | |
| - Audit fees | 1,18,000 | 59,000 |
| - Tax audit | 11,800 | 11,800 |
| Travelling and conveyance | 3,92,820 | 17,94,392 |
| Vehicle running and maintenance | 14,11,881 | 15,85,375 |
| Postage, telephone and internet charges | 3,14,278 | 3,34,842 |
| Guest house expenses | 28,16,818 | 2,05,055 |
| Balances written off | 199 | 1,17,128 |
| Donation | - | 3,00,000 |
| Welfare Expenses (Covid) | 56,50,200 | - |
| Prior period expenses | 8,51,594 | 8,14,435 |
| Miscellaneous expenses | 40,83,588 | 47,13,381 |
| Total | 14,89,71,519 | 14,39,90,065 |

25 EXTRAORDINARY EXPENSES

| Particulars | Current Year | Previous Year |
|--|--------------------|--------------------|
| | 2020-21 (Rs.) | 2019-20 (Rs.) |
| Restoration expenses post flood # | 1,25,07,919 | 6,10,14,424 |
| Total | 1,25,07,919 | 6,10,14,424 |
| # Restoration expenses of project on account of unprecedented flood in the State of Himachal Pradesh on 23 Sep 2018. | | |



26 EARNINGS PER SHARE

| Particulars | Current Year | Previous Year |
|---|---------------|----------------|
| Net profit/(loss) as per statement of profit and loss (in Rs.) | (2,81,97,660) | (10,80,69,157) |
| Less: Adjustment for dividend on 8% non cumulative preference shares | 3,75,98,392 | 3,75,98,392 |
| Profit attributable to equity share holders | (6,57,96,052) | (14,56,67,549) |
| Weighted average number of equity shares outstanding during the year (in Nos.) | | |
| Equity shares | 2,01,42,010 | 2,01,42,010 |
| Basic earnings per share (in Rs.) | (3.27) | (7.23) |
| Diluted earnings per share (in Rs.) | (3.27) | (7.23) |
| Nominal value of share (in Rs.) | 10 | 10 |



KANCHANJUNGA POWER COMPANY PRIVATE LIMITED
CIN: U74899DL1991PTC046387

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

27 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

| Particulars | As at 31st March'2021 (Rs.) | As at 31st March'2020 (Rs.) |
|--|-----------------------------------|-----------------------------------|
| Contingent liability Pending legal cases | 1,36,00,000 | 2,64,00,000 |
| Total | 1,36,00,000 | 2,64,00,000 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

28 Disclosure under AS-15 (Revised)

Retirement benefits in the form of provident fund, superannuation fund and national pension fund("NPS") are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity and compensated absences liability are defined benefit obligation and are provided for on the basis of an actuarial valuation made at the end of each financial year. The present value of the obligation under Gratuity and compensated absences is determined based on actuarial valuation using the Projected Unit Credit Method, which recognize each period of service as giving rise to additional unit of employees benefits entitlement and measures each unit separately to build up the final obligation.

The Company has classified the various benefits provided to employees as under:

(i) Defined Contribution Plan

The following contribution made by the company towards a recognized and defined plan has been charged to the Statement of Profit and Loss for the year ->

| Particulars | Current Year | Previous Year |
|--|----------------|----------------|
| | 2020-21 Rs. | 2019-20 Rs. |
| Employers' contribution to provident fund | 19,15,558 | 10,75,510 |
| Employers' contribution to superannuation fund | 2,44,848 | 1,49,916 |
| Employers' contribution to NPS | 5,27,880 | 2,35,320 |

(ii) Defined Benefit Plan

The following table sets out the amounts recognized in the Company's financial statements-

| Particulars | Current Year | | | Previous Year | | |
|--|-------------------|---------------------|---------------------------------|-------------------|---------------------|---------------------------------|
| | Gratuity (funded) | Gratuity (unfunded) | Compensated absences (unfunded) | Gratuity (funded) | Gratuity (unfunded) | Compensated absences (unfunded) |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Change in present value of obligation | | | | | | |
| Present value of obligation at the beginning of the year | 21,17,258 | 1,06,997 | 9,44,164 | 14,86,392 | 55,468 | 6,56,428 |
| Interest cost | 1,43,974 | 7,276 | 64,203 | 1,13,858 | 4,249.00 | 50,282 |
| Current Service cost | 4,16,047 | 63,421 | 2,81,092 | 3,06,388 | 41,260 | 1,73,292 |
| Past Service cost | | | | | | |
| Benefits paid | (78,819) | | (2,31,669) | (36,202) | | (13,875) |
| Actuarial (gain)/loss on obligation | 2,52,634 | 3,043 | 3,17,348 | 2,46,822 | 6,020 | 78,037 |
| Present value of obligation at end of the year | 28,51,094 | 1,80,737 | 13,75,138 | 21,17,258 | 1,06,997 | 9,44,164 |
| Change in fair value plan assets | | | | | | |
| Fair value of plan assets at the beginning of the year | 16,93,680 | - | - | 14,05,063 | - | - |
| Expected return on plan assets | 1,60,900 | - | - | 1,20,554 | - | - |
| Contributions | 3,85,306 | - | - | 1,37,483 | - | - |
| Benefits paid | (78,819) | - | - | (36,202) | - | - |
| Actuarial gain/(loss) on plan assets | (22,689) | - | - | 66,782 | - | - |
| Fair value of plan assets at the end of the year | 21,38,378 | - | - | 16,93,680 | - | - |
| Amount recognised in the Balance Sheet | | | | | | |
| Present value of obligation at the end of the year | 28,51,094 | 1,80,737 | 13,75,138 | 21,17,258 | 1,06,997 | 9,44,164 |
| Fair value of plan assets at the end of the year | 21,38,378 | - | - | 16,93,680 | - | - |
| Assets/(Liabilities) recognised in the Balance Sheet | (7,12,716) | (1,80,737) | (13,75,138) | (4,23,578) | (1,06,997) | (9,44,164) |
| Expenses recognized in Statement of profit and loss | | | | | | |
| Current service cost | 4,16,047 | 63,421 | 2,81,092 | 3,06,388 | 41,260 | 1,73,292 |
| Interest cost | 1,43,974 | 7,276 | 64,203 | 1,13,858 | 4,249 | 50,282 |
| Expected return on plan assets | (1,60,900) | - | - | (1,20,554) | - | - |
| Net actuarial (gain)/loss to be recognised | 2,75,323 | 3,043 | 3,17,348 | 2,52,444 | - | 78,037 |
| Net cost | 6,74,444 | 73,740 | 6,62,643 | 5,52,136 | 45,509 | 3,01,611 |



| Particulars | Current Year | | | Previous Year | | |
|--|---------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------------------|
| | Gratuity (funded) | Gratuity (unfunded) | Compensated absences (unfunded) | Gratuity (funded) | Gratuity (unfunded) | Compensated absences (unfunded) |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Assumptions used in accounting | | | | | | |
| Discount rate | 6.93% | 6.93% | 6.93% | 6.80% | 6.80% | 6.80% |
| Salary escalation rate | 5.50% | 5.50% | 5.50% | 5.50% | 5.50% | 5.50% |
| Expected rate of return on plan assets | 8.16% | - | - | 9.50% | - | - |
| Demographic assumptions | 100% IALM (2012-14) | 100% IALM (2012-14) | 100% IALM (2012-14) | 100% IALM (2012-14) | 100% IALM (2012-14) | 100% IALM (2012-14) |

(ii) Amounts for the current and previous four years are as follows:

Gratuity (funded)

| As on | 31-Mar-2017 | 31-Mar-2018 | 31-Mar-2019 | 31-Mar-2020 | 31-Mar-2021 |
|--|-------------|-------------|-------------|-------------|-------------|
| PBO (C) | 11,76,658 | 13,42,078 | 34,85,392 | 21,17,258 | 28,51,094 |
| Plan Assets | 12,10,802 | 13,05,827 | 14,05,063 | 16,93,680 | 21,38,378 |
| Net Assets /(Liability) | 34,144 | (36,251) | (81,329) | (4,23,578) | (7,12,716) |
| Experience adjustment on Plan PBO gain/ (loss) | (66,199) | 64,436 | 46,821 | (12,975) | (3,00,060) |
| Experience adjustment on Plan Assets gain/(loss) | 28,875 | (25,208) | 13,962 | (5,622) | (22,689) |

Gratuity (unfunded)

| As on | 31-Mar-2018 | 31-Mar-2019 | 31-Mar-2019 | 31-Mar-2020 | 31-Mar-2021 |
|--|-------------|-------------|-------------|-------------|-------------|
| PBO (C) | - | - | 55,648 | 1,06,997 | 1,80,737 |
| Plan Assets | - | - | - | - | - |
| Net Assets /(Liability) | - | - | (55,648) | (1,06,997) | (1,80,737) |
| Experience adjustment on Plan PBO gain/ (loss) | - | - | - | 5,702 | (6,779) |
| Experience adjustment on Plan Assets gain/(loss) | - | - | - | - | - |

Compensated absences (unfunded)

| As on | 31-Mar-2017 | 31-Mar-2018 | 31-Mar-2019 | 31-Mar-2020 | 31-Mar-2021 |
|--|-------------|-------------|-------------|-------------|-------------|
| PBO (C) | 5,62,091 | 6,03,856 | 5,56,428 | 9,44,164 | 13,75,138 |
| Plan Assets | - | - | - | - | - |
| Net Assets /(Liability) | (5,62,091) | (6,03,856) | (6,56,428) | (9,44,164) | (13,75,138) |
| Experience adjustment on Plan PBO gain/ (loss) | 29,911 | 42,907 | (33,522) | 26,070 | (3,38,656) |
| Experience adjustment on Plan Assets gain/(loss) | - | - | - | - | - |

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

29 RELATED PARTY DISCLOSURES:

i Related party relationships:

| | | |
|---|--|---|
| a | Holding Company | M/s Lingaraj Portfolios Private Limited |
| b | Key managerial personnel | 1. Mr. Vibhav Saraf - Whole Time Director 2. Mr. Kumar Uday Pratap Ajay - Whole Time Director 3. Ms. Jyoti Chawla - Company Secretary |
| c | Individual owning directly or indirectly an interest in the voting power | Mr. Rohit Saraf |
| d | Relative of person described in (b) and (c) above | Ms. Vandana Kumari |
| e | Enterprises over which any person described in (b) & (c) is able to exercise significant influence | M/s Punjab Hydro Power Private Limited M/s Polyplex Corporation Limited |

Notes:

- i The related party relationships have been determined on the basis of the requirements of the Accounting Standard (AS) - 18 'Related Party Disclosures' and the same have been relied upon by the auditors.
 - ii The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year.
- ii Transactions with related parties:

Details of related party transactions are as follows:

| Particulars | Current Year 2020-2021 (Rs.) | Previous Year 2019-2020 (Rs.) |
|--|------------------------------------|-------------------------------------|
| Unsecured loan received | | |
| M/s Punjab Hydro Power Private Limited | - | 2,75,00,000 |
| Unsecured loan repaid | | |
| M/s Lingaraj Portfolios Private Limited | - | 1,70,00,000 |
| M/s Punjab Hydro Power Private Limited | - | 2,75,00,000 |
| Interest paid on unsecured loan | | |
| M/s Lingaraj Portfolios Private Limited | - | 3,37,648 |
| M/s Punjab Hydro Power Private Limited | - | 4,85,182 |
| Car lease paid | | |
| Ms. Vandana Kumari | 8,40,000 | 3,60,000 |
| Reimbursement of expenses paid to other enterprises | | |
| M/s Punjab Hydro Power Private Limited | - | 978 |
| M/s Polyplex Corporation Limited | 11,47,447 | 14,93,678 |
| Reimbursement of expenses received from other enterprises | | |
| M/s Punjab Hydro Power Private Limited | 4,607 | |
| Remuneration Paid to Director | | |
| Mr. Vibhav Saraf | 8,46,600 | 8,96,640 |
| Mr. Kumar Uday Pratap Ajay | 84,51,175 | 26,54,092 |
| Remuneration Paid to Company Secretary | | |
| Mrs. Jyoti Chawla | 5,61,600 | 6,24,105 |
| Outstanding during the year | | |
| Rent Payable | | |
| M/s Polyplex Corporation Limited | 6,44,652 | 5,36,551 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

30 Expenditure in foreign currency:

| Particular | Amount in INR (Current Year) | Amount in INR (Previous Year) |
|-----------------|---------------------------------|----------------------------------|
| Travelling Fare | - | 2,60,597 |
| Total | - | 2,60,597 |

31 Details of Dues to Micro and Small Enterprises as per MSMED Act, 2006 to the extent of information available with the Company:

| Particulars | As at 31-03-2021 | As at 31-03-2020 |
|--|---------------------|---------------------|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year. | 2,42,965 | 37,262 |
| The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006. | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006 | - | - |
| Total | 2,42,965 | 37,262 |

32 Details of investment made and loan given covered made section 186(4) of Companies Act, 2013 are given under the respective heads. No guarantee has been given by the company.

33 Expenditure incurred Rs. 12,507,919/- (P.Y. Rs 61,014,424/-) as mentioned in note no. 25 pertains to restoration expenses of plant damaged due to flood on 23-09-2018.
The company has lodge claim with Insurance company with respect to damaged covered. The company will account for the same after assessment of damage and finalisation of claim mutually with insurance company.

34 Balances of certain trade receivables, other payables and advances are subject to confirmation / reconciliation, if any. The management does not expect any material difference affecting the financial statements on such reconciliation /adjustments.

In the opinion of management, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet. The provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably stated.

35 There is no impairment loss on fixed assets on the basis of review carried out by the management in accordance with Accounting Standard (AS) – 28 "Impairment of Assets".

36 The residual value of property, plant and equipment has been reassessed on the basis of local policies, assessment of project, management view and industrial practice and the same has been treated as change in accounting estimates.

37 The Company operates in a single primary business i.e. generation of hydro power and hence, there is no reportable segment as per Accounting Standard (AS)-17 "Segment Reporting". The Company does not have any reportable geographical segment.

38 There are no hedged or unhedged foreign currency exposures as at the balance sheet date.

39 Previous year figures have been regrouped re-arranged wherever necessary.

As per our report of even date attached

For Jain Pramod Jain & Co.
Chartered Accountants
FRN: 016746N

(Amber Jaiswal)
Partner
M.N. 550715
UDIN : 21550715AAAAA03732



ON BEHALF OF THE BOARD OF DIRECTORS

Shivani Saraf
Director
DIN: 06687814

Pramod Kumar Arora
Wholtime Director
DIN:01898896

Jyoti
Jyoti Chawla
Company Secretary