



**SHARMA VATS & ASSOCIATES**  
CHARTERED ACCOUNTANTS

118, Priya Enclave  
Near Karkarduma Court, Delhi - 110 092  
Mob : 9899003961, 9811803200  
Email : sharmavatsassociates@gmail.com

**Independent Auditor's Report**

**To the Members of  
JAYPEE ARUNACHAL POWER LIMITED**

**Opinion**

We have audited the accompanying financial statements of JAYPEE ARUNACHAL POWER LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, Statement of changes in equity and Statement of cash flows for the year ended 31st March 2020, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its loss, changes in equity, and its cash flows for the year ended 31st March 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Companies Act, 2013 and the Rules thereunder, 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.

**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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 statement 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 Responsibility 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



## Emphasis of Matters

We draw the attention to the following matters in the notes to the financial statements:

Note No.28 in the financial statements which indicate that the company is waiting for statutory clearances to commence operations and is completely dependent on its holding company for meeting its day to day obligations. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. However, the financial statements of the company have been prepared on a going concern basis.

Further, it is indicated that the auditor report is not a qualified report in respect of above matter emphasized.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards (Ind AS) prescribed 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 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) 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 did not have any pending litigations
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



- iii. There are no amounts that were due for being transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Sharma Vats & Associates  
Chartered Accountants  
Firm Registration Number 031486N



(CA Ashish Sharma)

Partner

Membership No- 532822

Place: Delhi

Date: 16<sup>th</sup> May, 2020

UDIN-20532822AAAAAJ9350



## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of JAYPEE ARUNACHAL POWER LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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. 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.

#### **Auditor's 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 the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 an 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 statements, whether due to fraud or error.

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



accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

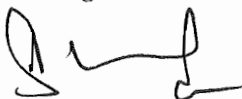
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations 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, to the best of our information and according to the explanations given to us, 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, 2020, 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 Sharma Vats & Associates  
Chartered Accountants  
Firm Registration Number 031486N



(CA Ashish Sharma)

Partner

Membership No- 532822

Place: Delhi

Date: 16<sup>th</sup> May, 2020

UDIN- 20532822AAAAA J 9350



**ANNEXURE 'B' referred to in paragraph 2 of our report of even date to the members of JAYPEE ARUNACHAL POWER LIMITED** on the accounts of the Company for the year ended 31<sup>st</sup> March 2020.

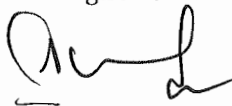
On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) A substantial portion of the Fixed Assets have been physically verified by the management during the year and to the best of our knowledge and information given to us, no material discrepancies were identified on such verification.
- (c) The immovable property is transferred as per Agreement between the Company and NHPC Limited, but the same is yet to be registered in the name of the company.
- (ii) As the company has no inventory, Clause 3(ii) of the Order is not applicable.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the company has not given any loans, made investments, given guarantees, and security, hence Clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) In our opinion Clause (vi) of Para 3 of the Order relating to cost accounting records is not applicable.
- (vii) (a) As per records produced before us and according to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues applicable to it like, Income-tax etc, and other material statutory dues applicable to it with the appropriate authorities, and there were no arrears of such dues at the end of the year which have remained outstanding for a period of more than six months from the date they became payable.
- (b) As per records produced before us there are no dues of Income-tax, Sales-tax, Wealth tax, Service tax, Customs Duty, Excise Duty, GST and cess which have not been deposited on account of any dispute.
- (viii) As the Company has not issued any debentures nor taken any loans from banks or financial institutions, Clause 3(viii) of the Order is not applicable.
- (ix) The Company has not taken any term loans nor raised any money by way of initial public offer or further public offer (including debt instruments) hence Clause 3(ix) of the Order is not applicable.



- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, 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) The Company has not paid any managerial remuneration hence Clause 3(xi) of the Order is not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) Based on information and explanations given to us by the management, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial Statements as required by the applicable accounting standards.
- (xiv) Based on information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transaction with directors or person connected with him which is covered by Section 192 of the Act. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For Sharma Vats & Associates  
Chartered Accountants  
Firm Registration Number 031486N



(CA Ashish Sharma)  
Partner

Membership No- 532822

Place: Delhi

Date: 16<sup>th</sup> May, 2020

UDIN- 20532822AAAAAJ9350





**JAYPEE ARUNACHAL POWER LIMITED**

CIN No. U40105DL2008PLC177067

JA House, 63, Basant Lok, Vasant Vihar, New Delhi - 110057

**Balance Sheet as at 31st March 2020**

(Amount in Rs.)

Particulars	Note No.	As on 31st March 2020	As on 31st March 2019
<b>Assets</b>			
<b>Non Current assets</b>			
Property ,Plant and Equipment	3	16,789,505	17,824,982
Capital Work in Progress	4	2,210,694,951	2,210,694,951
Other Financial Assets	5	1,481,661	1,481,661
Deffered Tax Assets (Net)		-	-
Other non current Assets	6	33,672,657	33,680,189
		<b>2,262,638,774</b>	<b>2,263,681,783</b>
<b>Current Assets</b>			
Inventories	7	-	-
Financial Assets			
(i) Cash and Cash equivalents	8	748,088	348,908
(ii) Other Financial Assets	9	18,547	3,487
Current Tax assets (Net)	10	99,408	99,408
Other Current Assets	11	701,914	701,914
		<b>1,567,957</b>	<b>1,153,717</b>
<b>Total</b>		<b>2,264,206,731</b>	<b>2,264,835,500</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity Share Capital	12	2,286,200,000	2,285,200,000
Other Equity	13	(38,556,090)	(36,782,200)
		<b>2,247,643,910</b>	<b>2,248,417,800</b>
<b>Non Current Liabilities</b>			
Financial Liabilities			
Borrowings		-	-
		-	-
<b>Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings			
(i) Trade and other payables	14	16,396,536	16,353,500
(ii) Other Financial Liabilities	15	129,522	45,622
Other Current Liabilities	16	36,764	18,578
Short Term Provisions		-	-
		<b>16,562,821</b>	<b>16,417,700</b>
<b>Total</b>		<b>2,264,206,731</b>	<b>2,264,835,500</b>

As per our report of even date attached to Financial Statements.

For Sharma Vats & Associates  
Chartered Accountants  
Firm Registration No.: 031486N

(Ashish Sharma)  
Partner  
M.No. 532822



For and on behalf of the Board

(Pankaj Gaur)  
Managing Director  
DIN : 00008419  
Address  
A-1/7, Vasant Vihar  
New Delhi - 110057

(Sanjeev Kamra)  
Chief Financial Officer  
126-F, Pocket A-3,  
Mayur Vihar Ph. III, Delhi -96

S.K. Sharma

(Sunil Kumar Sharma)  
Director  
DIN : 00008125  
Address  
E-9/14, Vasant Vihar  
New Delhi - 110057

(Rajeev Kumar)  
GM & Company Secretary  
F-66, Prasant Vihar  
Rohini, Sector 14, Delhi - 85

Place : New Delhi  
Date : 16th May,2020

**JAYPEE ARUNACHAL POWER LIMITED**

CIN No. U40105DL2008PLC177067

JA House, 63, Basant Lok, Vasant Vihar, New Delhi - 110057

**Statement of Profit and Loss for the year ended 31st March 2020**

(Amount in Rs.)

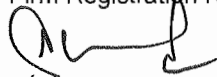
Particulars	Quarterly					Year ended	
	31/03/2020	31/12/2019	30/09/2019	30/06/2019	31/03/2019	31/03/2020	31/03/2019
	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Revenue from operations	-	-	-	-	-	-	-
Other income	3,400	3,967	3,900	3,793	18,262	15,060	18,262
<b>Total Income</b>	<b>3,400</b>	<b>3,967</b>	<b>3,900</b>	<b>3,793</b>	<b>18,262</b>	<b>15,060</b>	<b>18,262</b>
<b>Expenses:</b>							
Employee benefits expense	353,127	102,935	8,675	21,533	159,645	486,270	648,929
Finance costs	-	-	-	-	-	-	-
Depreciation and amortization Expense	204,863	207,117	207,123	416,374	303,333	1,035,477	1,230,185
Other expenses	227,629	27,483	4,024	8,068	1,999,914	267,204	2,076,195
<b>Total expenses</b>	<b>785,619</b>	<b>337,535</b>	<b>219,822</b>	<b>445,975</b>	<b>2,462,891</b>	<b>1,788,951</b>	<b>3,955,308</b>
<b>Profit before exceptional items and tax</b>							
<b>Profit before tax</b>	(782,219)	(333,568)	(215,922)	(442,182)	(2,444,630)	(1,773,891)	(3,937,047)
Tax expense:	-	-	-	-	-	-	-
(1) Current tax	-	-	-	-	-	-	-
(2) Deferred tax	-	-	-	-	-	-	-
<b>Profit (Loss) for the period</b>	<b>(782,219)</b>	<b>(333,568)</b>	<b>(215,922)</b>	<b>(442,182)</b>	<b>(2,444,630)</b>	<b>(1,773,891)</b>	<b>(3,937,047)</b>
<b>Other Comprehensive Income</b>							
Earnings per Equity Share							
(1) Basic	(0.003)	(0.001)	(0.001)	(0.002)	(0.01)	(0.01)	(0.02)
(2) Diluted	(0.003)	(0.001)	(0.001)	(0.002)	(0.01)	(0.01)	(0.02)

As per our report of even date attached to Financial Statements.

For Sharma Vats & Associates

Chartered Accountants

Firm Registration No.: 031486N

  
(Ashish Sharma)

Partner

M.No. 532822



For and on behalf of the Board



(Pankaj Gaur)

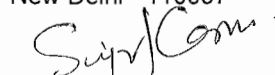
Managing Director

DIN : 00008419

Address

A-1/7, Vasant Vihar

New Delhi - 110057



(Sanjeev Kamra)

Chief Financial Officer

126-F, Pocket A-3,

Mayur Vihar Ph. III, Delhi -96



(Sunil Kumar Sharma)

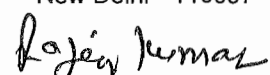
Director

DIN : 00008125

Address

E-9/14, Vasant Vihar

New Delhi - 110057



(Rajeev Kumar)

GM & Company Secretary

F-66, Prasant Vihar

Rohini, Sector 14, Delhi - 85

Place : New Delhi

Date : 16th May,2020

**JAYPEE ARUNACHAL POWER LIMITED**

CIN No. U40105DL2008PLC177067

JA House, 63, Basant Lok, Vasant Vihar, New Delhi - 110057

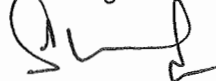
**Statement of Profit and Loss for the year ended 31st March 2020**

(Amount in Rs.)

Particulars	Note No.	For the period ended 31st March, 2020	For the period ended 31 March, 2019
Revenue from operations		-	-
Other income	17	15,060	18,262
<b>Total Income</b>		<b>15,060</b>	<b>18,262</b>
<b>Expenses:</b>			
Employee benefits expense	18	486,270	648,929
Finance costs	19	-	-
Depreciation and amortization expense	20	1,035,477	1,230,185
Other expenses	21	267,204	2,076,195
<b>Total expenses</b>		<b>1,788,951</b>	<b>3,955,308</b>
<b>Profit before exceptional items and tax</b>		<b>(1,773,891)</b>	<b>(3,937,047)</b>
Exceptional items			
<b>Profit before tax</b>		<b>(1,773,891)</b>	<b>(3,937,046)</b>
<b>Exceptional Items</b>			
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>Profit (Loss) for the period</b>		<b>(1,773,891)</b>	<b>(3,937,046)</b>
Earnings per Equity Share			
(1) Basic		(0.01)	(0.02)
(2) Diluted		(0.01)	(0.02)

As per our report of even date attached to Financial Statements.

For Sharma Vats & Associates  
Chartered Accountants  
Firm Registration No.: 031486N

  
**(Ashish Sharma)**

**Partner**

**M.No. 532822**



For and on behalf of the Board

  
**(Pankaj Gaur)**  
**Managing Director**

DIN : 00008419

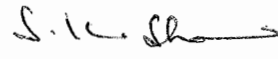
**Address**

A-1/7, Vasant Vihar  
New Delhi - 110057

  
**(Sanjeev Kamra)**

**Chief Financial Officer**

126-F, Pocket A-3,  
Mayur Vihar Ph. III, Delhi -96

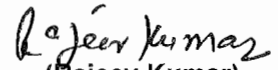
  
**(Sunil Kumar Sharma)**

**Director**

DIN : 00008125

**Address**

E-9/14, Vasant Vihar  
New Delhi - 110057

  
**(Rajeev Kumar)**

**GM & Co. Secretary**

F-66, Prasant Vihar

Rohini, Sec. 14, Delhi - 85

Place : New Delhi

Date : 16th May,2020

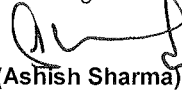
**JAYPEE ARUNACHAL POWER LIMITED**  
**Cash Flow Statement for the year ended 31st March 2020**

(Amounts in Rs.)

Sl. No.	Cash flow statement	Year ended March 31,2020	Year ended March, 31 2019
<b>A</b>	<b>Cash flows from operating activities</b>		
	Profit/(Loss) for the year	(1,773,891)	(3,937,047)
	Adjustments for :		
	- Finance costs	-	-
	- Depreciation	1,035,477	1,230,185
	Operating profit before working capital changes	(738,414)	(2,706,862)
	Adjustments for :		
	- (Increase) / decrease in other financial assets (excluding advance tax)	(15,060)	(18,262)
	- (Increase) / decrease in other current assets	7,532	7,532
	- Increase / (decrease) in other current liabilities	18,186	7,208
	- (Increase)/decrease Change in Inventries	-	2,941,983
	- (Increase) /decrease in current Assets	-	73,805
	- Increase / (decrease) in other financial liabilities and provision	126,936	(1,147,288)
	<b>Cash generated from operations</b>	(600,820)	(841,884)
	- Income tax refund/ (paid)	-	-
	<b>Net Cash flow generated from operating activities</b>	<b>(600,820)</b>	<b>(841,884)</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	- Additions to PPE and intangible assets (including net movement in CWIP)	-	-
<b>C</b>	<b>Cash flow from financing activities</b>		
	- Interest on long term borrowings-Preference Shares	-	-
	- issue of share in Cash	1,000,000	1,000,000
	<b>Net cash flows (used in)/ generated from financing activities</b>	<b>1,000,000</b>	<b>1,000,000</b>
	<b>Net change in cash and cash equivalents (A+B+C)</b>	399,180	158,116
	<b>Cash and cash equivalents- opening balance</b>	348,908	190,792
	<b>Cash and cash equivalents- closing balance</b>	748,088	348,908
	<b>Notes to cash flow statement:</b>		
	Cash and cash equivalents include :		
	Cash and cash equivalents include	1,018	3,068
	Balances with banks:	747,070	345,840
	<b>Cash and cash equivalents at the end of the year [refer note no 8]</b>	<b>748,088</b>	<b>348,908</b>

As per our report of even date attached to Financial Statements.

For Sharma Vats & Associates  
Chartered Accountants  
Firm Registration No.: 031486N


  
(Ashish Sharma)  
Partner  
M.No. 532822




For and on behalf of the Board

  
(Pankaj Gaur)  
Managing Director  
DIN : 00008419

**Address**  
A-1/7, Vasant Vihar  
New Delhi - 110057

  
(Sanjeev Kamra)  
Chief Financial Officer  
126-F, Pocket A-3,  
Mayur Vihar Ph. III, Delhi -96



(Sunil Kumar Sharma)  
Director  
DIN : 00008125

**Address**  
E-9/14, Vasant Vihar  
New Delhi - 110057

  
(Rajeev Kumar)  
GM & Company Secretary  
F-66, Prasant Vihar  
Rohini, Sector 14, Delhi - 85

Place : New Delhi

Date : 16<sup>th</sup> May, 2020

**JAYPEE ARUNACHAL POWER LIMITED**  
**Statement of changes In equity for the year ended as on 31st March 2020**

**A. Equity Share Capital**

	As at April 1, 2018	Changes during the year	As at March 31, 2019	Changes during the year	As at March 31, 2020
Number of Shares	228,420,000	100,000	228,520,000	100,000	228,620,000
Value in Rs.	2,284,200,000	1,000,000	2,285,200,000	1,000,000	2,286,200,000

**B. Other Equity**

Particulars	Other Equity		Reserves & Surplus	Others Comprehensive Reserves	Total
	Equity Component of Other Financial Instruments	Securities Premium	Retained earnings	Remeasurment of Defined Benefit plans	
<b>Balance as at April 1, 2018</b>	-	67,547,097	(100,392,250)	-	(32,845,153)
Addition/deduction during the year					
Reversal of Equity Component on Conversion of Preference Shares into Equity Shares	-	-	-	-	-
Securities Premium on Conversion of Preference Shares into Equity	-	-	(3,937,047)	-	-
Profit/(Loss) for the year	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	67,547,097	(104,329,297)	-	(32,845,153)
<b>Balance as at March 31, 2019</b>	-	67,547,097	(104,329,297)	-	(36,782,200)
Addition/deduction during the year					
Reversal of Equity Component on Conversion of Preference Shares into Equity Shares	-	-	-	-	-
Securities Premium on Conversion of Preference Shares into Equity	-	-	(1,773,891)	-	(1,773,891)
Profit/(Loss) for the year	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	(1,773,891)	-	(1,773,891)
Dividend paid, including tax					
<b>Balance as at March 31, 2020</b>	-	67,547,097	(106,103,187)	-	(38,556,090)

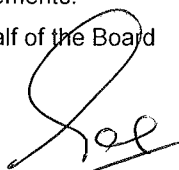
As per our report of even date attached to Financial Statements.

For Sharma Vats & Associates  
Chartered Accountants  
Firm Registration No.: 031486N

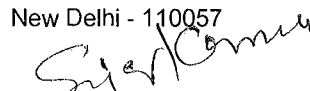
  
**(Ashish Sharma)**  
Partner  
M.No. 532822



For and on behalf of the Board

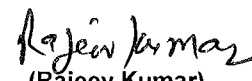


**(Pankaj Gaur)**  
Managing Director  
DIN : 00008419  
Address  
A-1/7, Vasant Vihar  
New Delhi - 110057

  
**(Sanjeev Kamra)**  
Chief Financial Officer  
126-F, Pocket A-3,  
Mayur Vihar Ph. III, Delhi -96



**(Sunil Kumar Sharma)**  
Director  
DIN : 00008125  
Address  
E-9/14, Vasant Vihar  
New Delhi - 110057

  
**(Rajeev Kumar)**  
GM & Company Secretary  
F-66, Prasant Vihar  
Rohini, Sector 14, Delhi - 85

Place : New Delhi  
Date : 16th May, 2020

# JAYPEE ARUNACHAL POWER LIMITED

## Notes to Financial Statements

### Note 1- General Information of the Company

Jaypee Arunachal Power Limited (JAPL) was incorporated on April 23, 2008. It is a wholly owned subsidiary of Jaiprakash Power Ventures Limited implementing 2700 MW "Lower Siang HE Power Project" and 500 MW "Hirong HE Power Project" in the state of Arunachal Pradesh. Necessary steps have been initiated to start the work relating to survey and investigation for the project. The project of the company are still in the development stage.

### Note 2 - Significant Accounting Policies

#### a) Basis of preparation of financial statements:-

The Company has adopted accounting policies that comply with Indian Accounting standards (Ind AS) notified by Ministry of Corporate Affairs vide notification dated 16 February 2015 under section 133 of the Companies Act 2013, as required by the relevant applicability provisions prescribed in the same notification. Accounting policies have been applied consistently to all periods presented in these financial statements. The financial statements referred hereinafter have been prepared in accordance with the requirements and instructions of Schedule III to the Companies Act 2013, amended from time to time applicable to companies to whom Ind AS applies.

The Company's financial statements have been prepared in accordance with the Ind AS prescribed. The preparation of the Company's financial statements in conformity with Indian Accounting Standard requires the Company to exercise its judgment in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that effect the reported amounts of assets and liabilities at the date of the financial statements. These estimates and assumptions are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances and presented under the historical cost convention on accrual basis of accounting.

#### b) Use of Estimates:-

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of asset and liabilities on the date of the financial statements and the reported amount of the revenue and the expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### c) Property, Plant and Equipment (PPE)

The Company has elected to use a previous GAAP cost (cost less accumulated depreciation and impairment losses (if any)) of an item of property, plant and equipment at, or before, the date of transition to Ind AS as deemed cost at the date of transition in accordance with accounting policy option available in Ind AS 101.

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The initial cost of PPE is cost of acquisition or construction inclusive of freight, erection & commissioning charges and any directly attributable costs of bringing an asset to working condition and location for its intended use, including borrowing costs relating to the qualified asset over the period up to the date the asset is ready to commence commercial production. Exchange rate variations relating to long term monetary items is charged to profit & loss if foreign currency loan is taken after 31 March 2016.



A large, stylized handwritten signature in black ink.

A smaller handwritten signature in black ink.

A handwritten signature in black ink that reads "Rajew".

A handwritten signature in black ink.

The carrying amount of a property, plant and equipment is de-recognised when no future economic benefits are expected from its use or on disposal.

Depreciation on property, plant and equipment is provided on straight line method based on estimated useful life of assets as prescribed in part C of schedule II to the Companies Act, 2013.

Assets	Useful Lives
Building	5 - 60 Years
Plant and Machinery	15 - 40 years
Furniture and fittings	10 years
Office equipments	5 - 10 years
Vehicles	8 - 10 years
Computers	3 years

The property, plant and equipment acquired under finance leases, if any, is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Freehold land is not depreciated.

**d) Expenditure during construction period:-**

Assets in the course of construction are capitalized in the assets and treated as capital work in progress and upon commissioning of project the assets are capitalised and transferred to appropriate category of PPE. At the point when an asset is operating at management's intended use, the cost of construction is transferred to appropriate category of PPE.

**e) Inventories:-**

Inventories are valued at the lower of cost or net realizable value. Cost of Inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on the following basis:-

- Raw material, construction materials, stores & spares, packing materials, operating stores and supplies is determined on weighted average basis.
- Material-in-transit is valued at cost.

**f) Borrowing Cost:-**

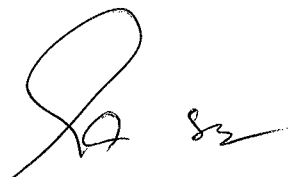
Borrowing costs specifically relating to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are charged to statement of profit & loss account in the period in which it is incurred except loan processing fees which is recognized as per Effective Interest Rate method. Borrowing costs consist of interest and other costs that company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**g) Employee Benefits:-**

The undiscounted amount of short-term employee benefits i.e. wages and salaries, bonus, incentive, annual leave and sick leave etc. expected to be paid in exchange for the service rendered by employees are recognized as an expense except in so far as employment costs may be included within the cost of an asset during the period when the employee renders the services.

Retirement benefit in the form of provident fund and pension contribution is a defined contribution scheme and is recognized as an expense except in so far as employment costs may be included within the cost of an asset.



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Gratuity and leave encashment is a defined benefit obligation. The liability is provided for on the basis of actuarial valuation made at the end of each financial year. The actuarial valuation is done as per Projected Unit Credit method.

Re measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to profit or loss through OCI in the period in which they occur. Re measurements are not reclassified to profit or loss in subsequent periods.

#### **h) Tax Expenses:-**

Income Tax expense comprises of current tax and deferred tax charge or credit. Provision for current tax is made with reference to taxable income computed for the financial year for which the financial statements are prepared by applying the tax rates as applicable.

**Current Tax-**Current Income tax relating to items recognized outside the profit and loss is recognized outside the profit and loss (either in other comprehensive income or in other component of equity)

**MAT-** Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

**Deferred Tax:** - Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date i.e. timing difference between taxable incomes and accounting income. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed as at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will not be available against which deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets are recognized for the unused tax credit to the extent that it is probable that taxable profits will be available against which the losses will be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.



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## **i) Leases**

### Finance lease

Leases of property, plant and equipment are classified as finance leases where the lessor has substantially transferred all the risks and rewards of ownership to the Company.

### Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Indian Accounting Standard (Ind AS) 116, Leases, was notified as part of the Companies (Indian Accounting Standards) (Amendment) Rules, 2019, issued by the Ministry of Corporate Affairs, Government of India, vide notification dated March 30, 2019. These Rules came into force w.e.f. April 1, 2019. Accordingly, Ind AS 116, comes into effect in respect of annual reporting periods beginning on or after 1st April, 2019. The same is not applicable to the company.

## **j) Fair Value Measurement:-**

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. (May not consider above para)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



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For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **k) Financial Instrument**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **1) Recognition**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument

##### **2) Measurement**

###### **i) Financial assets**

A financial asset is measured at

- amortised cost or
- fair value either through other comprehensive income or through profit or loss

###### **ii) Financial liability**

A financial liabilities is measured at

- amortised cost using the effective interest method or
- fair value through profit or loss.

###### **iii) Initial recognition and measurement:-**

All financial assets and liabilities are recognized at fair value at initial recognition, plus or minus, any transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss.

###### **iv) Subsequent measurement**

Financial assets as subsequent measured at amortised cost or fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) as the case may be.

Financial liabilities as subsequent measured at amortised cost or fair value through profit or loss.

##### **3) Financial assets**

###### **i) Trade Receivables:-**

Trade receivables are the contractual right to receive cash or other financial assets and recognized initially at fair value. Subsequently measured at amortised cost (Initial fair value less expected credit loss). Expected credit loss is the difference between all contractual cash flows that are due to the company and all that the company expects to receive (i.e. all cash shortfall), discounted at the effective interest rate.

###### **ii) Other equity**

All other equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at Fair value to other comprehensive income (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.



*For Rajiv*

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**4) Cash and cash Equivalents:-**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**5) Impairment of Financial Assets:-**

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

**6) Financial liabilities**

i) Trade payables :-

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year and which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period or not paid/payable within operating cycle. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

ii) Borrowings:-

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

iii) Equity Instruments:-

An equity instrument is any contract that evidences a residual interest in the assets of company after deducting all of its liabilities. Equity instruments are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**7) Derecognition of financial instrument:-**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.



*Dr. Rajiv*  82

**8) Offsetting of financial instruments:-**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**9) Financial guarantee**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognised less cumulative amortization.

**10) Compound financial instruments**

The component parts of compound financial instruments (convertible instrument) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised directly in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option. Transaction costs that relate to the issue of the convertible instrument are allocated to the liability and equity components in proportion to the allocation of the gross proceeds.

Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible instrument using the effective interest method.

**11) Derivative Financial Instruments:-**

The company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on nature of the hedging relationship and the nature of the hedged item.



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## 12) Embedded derivatives:-

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

### l) Provision and Contingent Liability

i. A **contingent liability** is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liabilities, if material, are disclosed by way of notes and contingent assets, if any, are disclosed in the notes to financial statements.

ii. A **provision** is recognized, when company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made for the amount of obligation. The expense relating to the provision is presented in the profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

iii. A **contingent asset** is neither recognised nor disclosed in the Financial Statements

### m) Earnings Per Share

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. For the purpose of calculating Diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### n) Segment Reporting

Revenue, operating results, assets and liabilities has been identified to represent separate segments on the basis of their relationship to the operating activities of the segment. Assets, liabilities, revenue and expenses which are not allocable to separate segment on a reasonable basis, are included under "Unallocated".

### o) Operating cycle:-

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



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**Jaypee Arunachal Power Limited**

**NOTE 3 - Property, Plant and Equipment as on 31st March 2020**

(Amount in Rs.)

Particulars	Building	Plant & Machinery	Furniture & Fixture	Vehicles	Office Equipments	Computers	Boats	Total
Cost or deemed cost								
Gross Block								
As at April 1, 2018	16,211,179	2,910,884	373,956	10,000,310	11,261,819	1,630,905	2,641,890	45,030,943
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2019	16,211,179	2,910,884	373,956	10,000,310	11,261,819	1,630,905	2,641,890	45,030,943
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2020	16,211,179	2,910,884	373,956	10,000,310	11,261,819	1,630,905	2,641,890	45,030,943
Accumulated Depreciation								
As at April 1, 2018	1,696,489	1,484,250	255,065	8,929,173	10,959,970	1,552,897	1,097,932	25,975,776
Charge for the year	274,176	188,431	33,052	533,247	-	-	201,279	1,230,185
As at March 31, 2019	1,970,665	1,672,681	288,117	9,462,420	10,959,970	1,552,897	1,299,211	27,205,961
Change for the year	281,075	188,777	57,930	211,509	-	-	296,186	1,035,477
As at March 31, 2020	2,251,740	1,861,458	346,047	9,673,929	10,959,970	1,552,897	1,595,397	28,241,438
Net Block (As at April 1, 2018)	14,514,690	1,426,634	118,891	1,071,137	301,849	78,008	1,543,958	19,055,167
Net Block (As at March 31, 2019)	14,240,514	1,238,203	85,839	537,890	301,849	78,008	1,342,679	17,824,982
Net Block (As at March. 31, 2020)	13,959,439	1,049,426	27,909	326,381	301,849	78,008	1,046,493	16,789,505




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**JAYPEE ARUNACHAL POWER LIMITED**  
**Notes to Balance Sheet as on 31st March 2020**

(Amount in Rs.)

Note No.	Particulars	As on 31st March 2020	As on 31st March 2019
4	<b>Capital work in progress</b>		
	Capital work in progress	2,210,694,951	2,210,694,951
		<b>2,210,694,951</b>	<b>2,210,694,951</b>
5	<b>Other Financial assets</b>		
	Other Bank Balance	218,635	218,635
	Security Deposits	1,263,026	1,263,026
		<b>1,481,661</b>	<b>1,481,661</b>
6	<b>Other non-current assets</b>		
	Advance to Govt. of Arunachal Pradesh	33,600,000	33,600,000
	Prepaid Rent	72,657	80,189
		<b>33,672,657</b>	<b>33,680,189</b>
7	<b>Inventories</b>		
	Stores and spares*	-	-
		-	-
8	<b>Cash Bank Balances</b>		
	Cash and cash equivalents		
	Balance with Banks	721,011	345,840
	Cash on hand	1,018	3,068
	Cheque in Hand	26,059	-
		<b>748,088</b>	<b>348,908</b>
9	<b>Other Financial assets</b>		
	Interest accrued on Fixed Deposit with Banks	18,547	3,487
		<b>18,547</b>	<b>3,487</b>
10	<b>Current Tax assets (Net)</b>		
	Advance Tax & TDS	10,661	10,661
	Provision for Income Tax	-	-
	TDS Recoverable	88,747	88,747
		<b>99,408</b>	<b>99,408</b>
11	<b>Other current assets</b>		
	Advance given to related party (JAL)	670,334	670,334
	Prepaid expenses	7,532	7,532
	Other Recoverable	24,048	24,048
		<b>701,914</b>	<b>701,914</b>

\* Inventories at site were not in a usable condition and their realisable value could not be ascertained therefore these have been written off



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**JAYPEE ARUNACHAL POWER LIMITED**

Notes to the financial statements for the year ended 31st March 2020

**Note 12 EQUITY SHARE CAPITAL**

(Amount in Rs.)

Particulars	As at 31/03/2020		As at 31/03/2019	
	No of shares	Amount	No of shares	Amount
<b>Authorised Share Capital</b>				
Equity share of Rs. 10 each	1,800,000,000	18,000,000,000	1,800,000,000	18,000,000,000
Preference share of Rs. 10 each	200,000,000	2,000,000,000	200,000,000	2,000,000,000
<b>Total</b>	<b>2,000,000,000</b>	<b>20,000,000,000</b>	<b>2,000,000,000</b>	<b>20,000,000,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>				
Equity share of Rs. 10 each	228,620,000	2,286,200,000	228,520,000	2,285,200,000
<b>Total</b>	<b>228,620,000</b>	<b>2,286,200,000</b>	<b>228,520,000</b>	<b>2,285,200,000</b>

(a) Reconciliation of the share capital outstanding at the beginning and at the end of the reporting period

Particulars	As at 31/03/2020		As at 31/03/2019	
	No of shares	Amount	No of shares	Amount
<b>Equity Shares</b>				
At the beginning of the year	228,520,000	2,285,200,000	228,420,000	2,284,200,000
Issued during the year (in cash)	100,000	1,000,000	100,000	1,000,000
Issued during the year (Other than cash)	-	-	-	-
Outstanding at the end of the year	228,620,000	2,286,200,000	228,520,000	2,285,200,000

**(b) Terms/ rights attached to shares**  
**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 and dividend as proposed by the board of directors which is subject to approval of the shareholders in the ensuing Annual General Meeting.

**(c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates**

Particulars	As at 31/03/2020		As at 31/03/2019	
	No of shares	% holding	No of shares	% holding
Equity shares of Rs. 10 each fully paid up Jaiprakash Power Ventures Limited - Holding Co.	228,620,000	100	228,520,000	100
<b>Total</b>	<b>228,620,000</b>		<b>228,520,000</b>	

(d) Out of the above issued and subscribed capital, 228,620,000 Equity Shares, being 100%, are held by Jaiprakash Power Ventures Ltd., the holding company.

(e) Other clauses of Share Capital are not applicable to the company.



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**Jaypee Arunachal Power Limited**  
**Notes Forming Part of the Standalone Financial Statement**  
**for the year ended 31st March 2020**





(Amount in Rs.)

	Particulars	As on 31st March 2020	As on 31st March 2019
13	<b>A. Other Equity</b>		
	<b>i) Equity Component of Other Financial Instruments</b>		
	Opening balance	-	-
	During the year	-	-
	Closing balance	-	-
	<b>ii) Securities Premium</b>		
	Opening balance	67,547,097	67,547,097
	During the year	-	-
	Closing balance	<b>67,547,097</b>	<b>67,547,097</b>
	Opening balance	(104,329,297)	(100,392,250)
	Profit/Loss for the year	(1,773,891)	(3,937,047)
	<b>Net surplus in the statement of profit and loss</b>	<b>(106,103,187)</b>	<b>(104,329,297)</b>
	<b>Total</b>	<b>(38,556,090)</b>	<b>(36,782,200)</b>

**Nature and purpose of Reserves**

- i) Equity - This is the equity portion of preference shares. The liability component is reflected in the financial liabilities.
- ii) Securities Premium: This is the excess of Value of Loan and amount Converted to Equity from Redemption of Preference Shares.
- iii) Surplus/(Loss) in the statement of profit and loss- Loss Incurred upto date.



**JAYPEE ARUNACHAL POWER LIMITED**  
**Note to Profit and Loss as 31st March 2020**

(Amount in Rs.)

Note No.	Particulars	As on 31st March 2020	As on 31st March 2019
14	<b>Trade and Other Payable</b>		
	Related Parties	16,317,500	16,317,500
	Others	79,036	36,000
		<b>16,396,536</b>	<b>16,353,500</b>
15	<b>Other Financial Liabilities</b>		
	Due to Staff	102,919	45,622
	Other Payable	26,603	-
		<b>129,522</b>	<b>45,622</b>
16	<b>Other Current Liabilities</b>		
	TDS Payable	26,400	14,486
	PF Payable	10,364	4,092
		<b>36,764</b>	<b>18,578</b>
17	<b>Other Income</b>		
	Interest Income	15,060	18,262
		<b>15,060</b>	<b>18,262</b>
18	<b>Employee Benefit Expense</b>		
	Salaries and wages	452,603	607,080
	Staff Welfare	12,758	16,200
	Provident Fund, ESI & Admin Charges	20,909	25,649
		<b>486,270</b>	<b>648,929</b>
19	<b>Finance Cost</b>		
	Interest	-	-
		-	-
20	<b>Depreciation and Amortization expense</b>		
	Depreciation on Tangible Assets	1,035,477	1,230,185
		<b>1,035,477</b>	<b>1,230,185</b>
21	<b>Other expenses</b>		
	Bank Charges	3,186	21,594
	Conveyance Exp.	2,000	240
	Filing Fee	3,666	28,178
	Interest Other	-	1,340
	Lease Rent of Land	7,532	7,532
	Legal and Professional	19,644	23,360
	Printing, Stationery & Computer Expenses	-	850
	Sundry amount written off	14	1,951,166
	Travelling & Conveyance	9,400	-
	Vehicle Running & Maintenance	156,742	-
	Auditors Remuneration		
	~Audit Fees	54,400	41,935
	~Certification Charges	10,620	-
		<b>267,204</b>	<b>2,076,195</b>



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**JAYPEE ARUNACHAL POWER LIMITED (JAPL)**

**Note – 22 Related Party Disclosures as required in term of Indian Accounting Standard (Ind-As – 24) are given below:-**

**Relationship (Related party relationship are indentified by the Company and relied up on by the auditors.**

**I. Holding Company**

- 1 Jaiprakash Power Ventures Limited (JPVL)

**II. Fellow Subsidiary Companies**

- 1 Jaypee Powergrid Limited (JV subsidiary of JPVL)
- 2 Jaypee Meghalaya Power Limited (subsidiary of JPVL)
- 3 Bina Power Supply Limited (subsidiary of JPVL)
- 4 Sangam Power Generation Company Limited (subsidiary of JPVL)

**III. Entity to whom the Company is an Associate Company:**

Jaiprakash Associates Limited (JAL)

**IV. Subsidiaries of the Entity (JAL) to whom the Company is an Associate Company:**

- 1 Jaypee Infratech Limited (JIL) (subsidiary of JAL)
- 2 Bhilai Jaypee Cement Limited (JV subsidiary of JAL)
- 3 Himalyan Expressway (subsidiary of JAL)
- 4 Gujarat Jaypee Cement & Infrastructure Limited (JV subsidiary of JAL)
- 5 Jaypee Ganga Infrastructure Corporation Limited (subsidiary of JAL)
- 6 Jaypee Agra Vikas Limited (subsidiary of JAL)
- 7 Jaypee Fertilizers & Industries Limited (subsidiary of JAL)
- 8 Jaypee Cement Corporation Limited (subsidiary of JAL)
- 9 Himalyaputra Aviation Limited (subsidiary of JAL)
- 10 Jaypee Assam Cement Limited (subsidiary of JAL)
- 11 Jaypee Infrastructure Development Limited (new name of Jaypee Cement Cricket (India) Limited) (subsidiary of JAL)
- 12 Jaypee Healthcare Limited (subsidiary of JIL)
- 13 Jaypee Cement Hockey (India) Limited (subsidiary of JAL)
- 14 Jaiprakash Agri Initiatives Company Limited (subsidiary of JCCL)
- 15 Yamuna Expressway Tolling Limited (new name of Yamuna Expressway Tolling Private Limited w.e.f. 05.04.2017, which again is the new name of Jaypee Mining Ventures Private Limited)
- 16 Jaypee Uttar Bharat Vikas Private Limited (JUBVPL)
- 17 Kanpur Fertilizers & Cement Limited.



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**V. KMP based Associate Cos.**

- 1 Jaiprakash Kashmir Energy Limited (KMP based Associate Co.)  
(controlled by Shri Manoj Gaur & his relatives)
- 2 Ceekay Estates Private Limited (KMP based Associate Co.)  
(controlled by relative of Shri Manoj Gaur)
- 3 Jaiprakash Exports Private Limited (KMP based Associate Co.)  
(controlled by relatives of Shri Manoj Gaur)
- 4 Jaypee Jan Sewa Sansthan ('Not For Profit' Private Limited Company) (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur)
- 5 Think Different Enterprises Private Limited (KMP based Associate Co.)  
(controlled by relative of Shri Manoj Gaur)
- 6 JC World Hospitality Private Limited (KMP based Associate Co.)  
(controlled by relatives of Shri Manoj Gaur)
- 7 JC Wealth & Investments Private Limited (KMP based Associate Co.)  
(controlled by relatives of Shri Manoj Gaur)
- 8 CK World Hospitality Private Limited (KMP based Associate Co.)  
(controlled by relatives of Shri Manoj Gaur)
- 9 First Light Estates Private Limited (KMP based Associate Co.)  
(controlled by relatives of Shri Manoj Gaur)
- 10 Akasva Associates Private Limited (KMP based Associate Co.)  
(controlled by Shri Suren Jain and his relative)
- 11 Akasva Infrastructure Private Limited (KMP based Associate Co.)  
(controlled by relatives of Shri Suren Jain)
- 12 Renaissance Lifestyle Private Limited (KMP based Associate Co.)  
(controlled by relative of Shri Suren Jain)
- 13 Gandharv Buildcon Private Limited (KMP based Associate Co.)  
(controlled by relative of Shri Suren Jain)
- 14 Viaan Technologies (P) Limited (KMP based Associate Co.)  
(controlled by relative of Shri Suren Jain)
- 15 Lucky Strike Financers Private Limited (KMP based Associate Co.)  
(controlled by Ms. Sunita Joshi and her relative)
- 16 Samvridhi Advisors LLP (KMP based partnership firm)  
(controlled by relative of Shri R.N. Bhradwaj and his relatives)
- 17 Sandhar Hospitality (KMP based partnership firm)  
(Controlled by Ms. Sunita Joshi and her relative)
- 18 Librans Ventures Private Limited
- 19 Saindhar Infosystems Private Limited
- 20 Kenbee Consultants LLP



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**Key Management Personnel**

- 1 Shri Pankaj Gaur
- 2 Shri Sunil Kumar Sharma
- 3 Shri Naveen Kumar Singh
- 4 Shri Shyam Datt Nailwal
- 5 Smt. Raina Dora
- 6 Shri Suren Jain (KMP of JPVL)
- 7 Shri Manoj Gaur (KMP of JPVL)
- 8 Shri Praveen Kumar Singh (KMP JPVL)
- 9 Dr. Jagannath Gupta (KMP of JPVL)
- 10 Shri R. N. Bhardwaj (KMP of JPVL)
- 11 Shri B. B. Tandon (KMP of JPVL) (up to 17.07.2019)
- 12 Shri A. K. Goswami (KMP of JPVL)
- 13 Shri S. S. Gupta (KMP of JPVL)
- 14 Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha (KMP of JPVL)
- 15 Shri K. N. Bhandari (KMP of JPVL)
- 16 Shri S. L. Mohan (KMP of JPVL)
- 17 Shri Jagmohan Garg (KMP of JPVL) (w.e.f. 16.10.2019)
- 18 Ms. Sunita Joshi (KMP of JPVL)
- 19 Shri K. P. Rau (KMP of JPVL)
- 20 Shri M. K. V. Rama Rao (KMP of JPVL)
- 21 Shri Ram Krishna Eda (KMP of JPVL)
- 22 Shri Sanjeev Kamra (CFO from 10/06/2019)
- 23 Shir Rajeev Kumar (Company Secretary from 12/12/2019)
- 24 Smt. Nepa Verma (Company Secretary till 22/07/2019)

The following transactions were carried out with Related Parties in the ordinary course of

(Amount in Rs.)

Description	Holding Company		Fellow Subsidiary Company		Associates Company		KMP	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Transactions during the year ended								
Share Capital	1,000,000	1,000,000	-	-	-	-	-	-
Salary & Perquisites	-	-	-	-	-	-	630,254	632,729
Amount Payable	-	-	-	-	16,317,500	16,317,500	102,918	45,622
Amount Receivable	-	-	-	-	670,334	670,334	-	-



*Shri Rajeev*

*Shri Smt*

**Note 23 (i) : Fair Value Measurement**  
**Categories of financial instruments**

(Amount in Rs.)

<b>Financial assets</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Measured at amortised cost</b>		
(i) Trade receivables		-
(ii) Cash and Bank balance	748,088	348,908
(iii) Loans	-	-
(iv) other financial assets	1,500,208	1,485,148
	<b>2,248,295</b>	<b>1,834,056</b>
<b>Financial liabilities</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Measured at amortised cost</b>		
(i) Borrowings		-
(ii) Other financial liabilities (other than those	129,522	45,622
(iii) Trade and other payables	16,396,536	16,353,500
(iv) Other Current Liabilities	36,764	18,578
<b>Total</b>	<b>16,562,821</b>	<b>16,417,700</b>

**(i) Fair Value Hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (A) recognised and measured at fair value and (B) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the group has classified its financial instruments into three levels prescribed under the accounting standards.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below :-

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

**Fair value measurements**

<b>Particulars</b>	<b>Fair value as at</b>		<b>Fair value hierarchy</b>	<b>Valuation technique(s) and key input(s)</b>
	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>		
<b>Financial Liabilities</b>				
a) Borrowings	-	-	Level 2	Discounted cash flow at a discount rate that reflects the company's current borrowings rate at the end of reporting period



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The fair values of cash & bank balances, security deposit to government department, current creditors and current borrowings and other financial liability are assumed to approximate their carrying amounts due to the short-term

(Amount in Rs.)

Particulars	Carrying value	
	As at March 31, 2020	As at March 31, 2019
<b>i) Financial assets - Current</b>		
Cash and cash equivalents	748,088	348,908
Other Financial assets		-
<b>ii) Financial liabilities - Current</b>		
Trade payables	16,396,536	16,353,500
Other financial liabilities	129,522	45,622
Other Current liabilities	36,764	18,578

**(ii) Valuation techniques used to determine Fair value**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**The following method and assumptions are used to estimate fair values:**

The Carrying amounts of trade receivables, trade payables, short term borrowing, other financial assets/ Liabilities, cash and cash equivalents. are considered to be their fair value, due to their short term nature.

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

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**Note 23 (ii) FINANCIAL RISK MANAGEMENT**

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company principal financial asset includes loan, trade and other receivables, and cash and short-term deposits that arise directly from its operations.

The Company's activities are exposed to market risk, credit risk and liquidity risk.

**I. Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

**(a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

(i) The exposure of group borrowings to interest rate changes at the end of reporting period are as follows:

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Variable rate borrowings	-	-
Fixed rate borrowings	-	-
<b>Total borrowings</b>	-	-

(ii) As at the end of reporting period, the company did not had any borrowing the following variable rate borrowings and interest rate swap contracts outstanding is not applicable:

Particulars	As at March 31, 2020		
	Weighted average interest rate	Balance	% of total loans
Cash Credit Limit	-	-	
<b>Net exposure to cash flow interest rate risk</b>		-	
As at March 31, 2019			
Cash Credit Limit	-	-	
<b>Net exposure to cash flow interest rate risk</b>		-	

**(iii) Sensitivity**

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
INR	-	-	-	-
	-	-	-	-



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(b) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not operates internationally and as the Company has not obtained any foreign currency loans and also doesn't have any foreign currency trade payables and foreign receivables outstanding therefore, the company is not exposed to any foreign exchange risk.

(c) **Price Risk**

The company exposure to equity securities price risk arises from the investments held by company and classified in the balance sheet at fair value through profit and loss. The company does not have any investments at the current year end and previous year which are held for trading. Therefore no sensitivity is provided.

II. **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the company uses other publicly available financial information and its own trading records to rate its major customers. The company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually

The Company does not have any receivables, therefore credit risk is not there.

III. **Liquidity Risk**

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company's management is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling, forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(Amount in Rs.)

Particulars	Within 1 year	1-3 years	More than 3 years	Total	Carrying amount
<b>As at March 31, 2020</b>					
Borrowings	-	-	-	-	-
Trade payables	16,396,536	-	-	16,396,536	16,396,536
Other financial liabilities	129,522	-	-	129,522	129,522
Other Current liabilities	36,764	-	-	36,764	36,764
<b>Total</b>	<b>16,526,058</b>	-	-	<b>16,526,058</b>	<b>16,526,058</b>
Particulars	Within 1 year	1-3 years	More than 3 years	Total	Carrying amount
<b>As at March 31, 2019</b>					
Borrowings	-	-	-	-	-
Trade payables	16,353,500	-	-	16,353,500	16,353,500
Other financial liabilities	45,622	-	-	45,622	45,622
Other Current liabilities	18,578	-	-	18,578	18,578
<b>Total</b>	<b>16,417,700</b>	-	-	<b>16,417,700</b>	<b>16,417,700</b>



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### Note 23 (iii) Capital Management

#### (A) Risk Management

The Company manages its capital to ensure that the company will be able to continue as going concerns while maximising the return to stakeholders through the optimization of the debt and equity balance.

The Company's risk management committee reviews the capital structure of the Company on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Company monitors capital on the basis of following gearing ratio, which is net debt divided by total capital plus debt.

#### Gearing ratio

The gearing ratio at end of the reporting period was as follows.

(Rupees in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Debt*	-	-
Cash and bank balances (including cash and bank balances in a disposal group held for sale)	748,088	348,908
<b>Net debt</b>	<b>(748,088)</b>	<b>(348,908)</b>
Total Equity	2,247,643,910	2,248,417,800
<b>Net Debts and Total equity</b>	<b>2,246,895,822</b>	<b>2,248,068,892</b>
Net debt to equity ratio	-0.03%	-0.02%

\*Debt is defined as long-term and short-term borrowings including current maturities and books overdraft

Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.



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*Se 82*

**Note 24 Disclosure as required under Notification dated 22nd January, 2019 issued by the Ministry of Corporate Affairs (As certified by the Management)**

(Amount in Rs.)

SI No.	Particulars	Figures as at the end of current reporting period, March 31, 2020	Figures as the end of previous reporting period, March 31, 2019
a)	The principal amount and interest due thereon remaining unpaid to any supplier		
	-Principal Amount	Nil	Nil
	-Interest Amount	Nil	Nil
b)	The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of payment made to the supplier beyond the appointed day.	Nil	Nil
c)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
d)	The amount of interest accrued and remaining unpaid	Nil	Nil
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues 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 Enterprises Development Act, 2006	Nil	Nil

**Note 25** Earnings Per Share is computed in accordance with IND AS - 33 issued by the Institute of Chartered Accountants of India.

PARTICULARS		Figures as at the end of current reporting period, March 31, 2020	Figures as the end of previous reporting period, March 31, 2019
a)	Net Profit/(Loss) for Basic Earnings Per Share as per Profit & Loss Account	(1,773,891)	(3,937,046)
b)	No. of Equity Shares	228,620,000	228,520,000
c)	Weighted Average No. of Equity Shares	228,531,749	228,490,959
d)	Basic Earnings Per Share	(0.01)	(0.02)
e)	Face Value Per Share	10	10

**Note 26 Payment to Auditors (including Service Tax/ Goods & Service Tax)**

PARTICULARS	Figures as at the end of current reporting period, March 31, 2020	Figures as the end of previous reporting period, March 31, 2019
- As Audit Fees	54,400	41,935
- Certification Charges	10,620	-
- Reimbursement of Expenses	-	-

**Note 27** Contingent Liabilities not provided for in the books- NIL (Previous year nil)

**Note 28** Going Concern

The operations of the Company are yet to commence as statutory clearances are pending. The Company is dependent on it's holding Company for meeting it's day to day obligations.



*[Handwritten signatures]*

**Note 29** Previous Period figures have been regrouped, rearranged wherever necessary to conform to Current Period requirements .

**Note 30** All the figures have been rounded off to nearest rupee.

For Sharma Vats & Associate  
Chartered Accountants  
Firm Registration No.: 031486N

For and on behalf of the Board



**(Ashish Sharma)**  
Partner  
M.No. 532822



**(Pankaj Gaur)**  
Managing Director  
DIN : 00008419



**Address**  
A-1/7, Vasant Vihar  
New Delhi - 110057

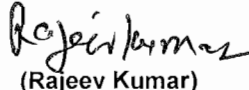


**(Sanjeev Kamra)**  
Chief Financial Officer  
126-F, Pocket A-3,  
Mayur Vihar Ph. III, Delhi -96



**(Sunil Kumar Sharma)**  
Director  
DIN : 00008125

**Address**  
E-9/14, Vasant Vihar  
New Delhi - 110057



**(Rajeev Kumar)**  
GM & Co. Secretary  
F-66, Prasant Vihar  
Rohini, Sector 14, Delhi - 85

Place : New Delhi  
Date : 16th May,2020