

BHANDARA THERMAL POWER CORPORATION LIMITED



**13th ANNUAL REPORT
2020-2021**



INDEPENDENT AUDITORS' REPORT

To the Members of Bhandara Thermal Power Corporation Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of Bhandara Thermal Power Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and the loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made 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 audit opinion on the standalone financial statements.

Emphasis of Matter

(Note Nos. referred hereunder are with reference to respective notes forming part of Standalone Financial Statements)

We draw members attention to the following matters:

- (i). As stated in note 13.6 regarding contract advance given which are long pending for recovery.

Our opinion is not modified in respect of the above matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and

analysis, Boards Report including annexures to Board's Report, Business responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone 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, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies

Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- 2) 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 including other Comprehensive Income, the Statement of Changes in Equity and the statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 B".
 - 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for M O S & Associates LLP
Chartered Accountants
Firm registration number: 001975S/S200020

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S V C Reddy
Partner
Membership Number: 224028
UDIN: 21224028AAAAAE1442

Hyderabad
11.06.2021

Annexure A to the Auditors' Report

The Annexure referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March,2021, we report that:

- (i) In respect of Fixed Assets
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us by the management, the Company does not have any physical inventories. Hence paragraph 3(ii) of the Order is not applicable for the current year under report.
- (iii) According to the information and explanation given to us, the Company has not granted secured or unsecured loans to companies, parties covered in the register maintained under Section 189 of the Act. Hence paragraph 3(iii) of the Order is not applicable for the current year under report.
- (iv) According to the information and explanations given to us by the management, there are no loans, investments, guarantees and securities granted in respect of which provisions of Section 185 and sec 186 of the Act for the Company. Hence paragraph 3(iv) of the order is not applicable for the current year under report.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public during the year. Hence paragraph 3(v) of the Order is not applicable for the current year under report.
- (vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of any cost records under Section 148 (1) of the Act for the current level of activities of the Company. Hence paragraph 3(vi) of the Order is not applicable for the current year under report.
- (vii) In respect of statutory dues
 - a. According to the information and explanations given to us, and based on our examination of records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, income tax, value added tax, Goods and Service Tax, cess and other material statutory dues have been regularly deposited during the year by the Company with appropriate statutory authorities.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, value added tax, Goods and Service

Tax, cess and other material statutory dues were in arrears as at 31st March,2021 for a period more than six months from the date they became payable.

- c. According to the information and explanations given to us and based on our examination of records of the Company, there are no material dues of provident fund, income tax, value added tax, cess and other material statutory dues which have not been deposited as on 31stMarch,2021 with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and based on our examination of records, the company has not taken any loans from Financial Institutions/Banks/Debenture Holders. Hence paragraph 3(viii) of the Order is not applicable for the current year under report.
- (ix) According to the information and explanations given to us and based on our examination of records, the Company has not raised any money from public by the way of initial public offer, further public offer or term loans. Hence paragraph 3(ix) of the Order is not applicable for the current year under report.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of audit.
- (xi) According to the information and explanations given to us and based on examination of records, the provisions of Section 197 of the Act are not applicable to the Company. Hence paragraph 3(xi) of the Order is not applicable for the current year under report.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Hence, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on examination of records of the Company, transactions with related parties are in compliance of Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations given to us and based on examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence, paragraph 3 (xiv) of the Order is not applicable for the current year under audit.
- (xv) According to the information and explanations given to us and based on examination of records of the Company, the Company has not entered into any non-cash transaction with directors or persons connected with him. Hence paragraph 3(xv) of the Order is not applicable for the current year under report.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence paragraph 3(xvi) of the Order is not applicable for the current year under report.

for M O S & Associates LLP
Chartered Accountants
Firm Registration No.: 001975S/S200020

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S V C Reddy
Partner
Membership No.: 224028
UDIN:21224028AAAAAE1442

Hyderabad
11.06.2021

Annexure - B to the Auditors' Report

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

Opinion

We have audited the internal financial controls over financial reporting of **Bhandara Thermal Power Corporation Limited** ("the Company") as of 31st March, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31st March, 2021, based on the internal financial controls with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

for M O S & Associates LLP
Chartered Accountants
Firm registration number: 001975S/S200020

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S V C Reddy
Partner
Membership Number: 224028
UDIN: 21224028AAAAAE1442

Hyderabad
11.06.2021

Bhandara Thermal Power Corporation Limited
Standalone Balance Sheet as at 31st March 2021

		Amount in ₹	
Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
ASSETS			
<i>Non - current assets</i>			
a) Property, Plant and Equipment	2	62,21,15,373	62,21,15,373
b) Capital work-in-progress	3	6,46,59,711	6,46,59,711
d) Other Non Current Assets	4	10,71,44,309	10,71,44,309
Total Non-Current Assets		79,39,19,393	79,39,19,393
<i>Current Assets</i>			
<i>a) Financial Assets</i>			
i) Cash and cash equivalents	5	1,63,909	1,82,369
b) Other current assets	6	30,251	30,251
Total Current Assets		1,94,160	2,12,620
Total Assets		79,41,13,553	79,41,32,013
EQUITY AND LIABILITIES			
<i>Equity</i>			
a) Equity Share Capital	7	4,98,33,340	4,98,33,340
b) Other Equity	8	(11,62,04,577)	(11,60,33,417)
Total Equity		(6,63,71,237)	(6,62,00,077)
<i>Liabilities</i>			
<i>Non Current Liabilities</i>			
<i>a) Financial Liabilities</i>			
i) Borrowings	9	86,01,84,590	86,01,84,590
Total Non Current Liabilities		86,01,84,590	86,01,84,590
<i>Current Liabilities</i>			
a) Other current liabilities	10	3,00,200	1,47,500
Total Current Liabilities		3,00,200	1,47,500
Total Equity and Liabilities		79,41,13,553	79,41,32,013
Corporate information and significant accounting policies	1		
Other Notes forming part of the Standalone Financial Statements	13		

For M O S & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No: 001975S/S200020

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S V C Reddy
Partner
Membership No: 224028

Place: Hyderabad
Date: 11/06/2021

For and on behalf of the Board


T. RAJIV REDDY
Director
DIN: 06859435


P. PURNACHANDER RAO
Director
DIN: 02230190

Bhandara Thermal Power Corporation Limited

Standalone Statement of Profit and Loss for the year ended 31st March 2021

Amount in ₹

Particulars	Note No.	For the year ended March 31,	
		2021	2020
Income			
a. Other Income	11	-	2,362
Total Income		-	2,362
Expenses			
a. Other expenses	12	1,71,160	10,85,59,139
Total Expenses		1,71,160	10,85,59,139
Profit before exceptional items and tax		(1,71,160)	(10,85,56,777)
Exceptional Items		-	-
Profit/(Loss) before tax		(1,71,160)	(10,85,56,777)
Tax Expense		-	-
Profit/(Loss) for the year		(1,71,160)	(10,85,56,777)
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss :			
Re-measurement gains/(losses) on actuarial valuation of Post Employment defined benefits		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss) for the Year		(1,71,160)	(10,85,56,777)
Earnings Per Share (EPS)			
- Basic and Diluted	13.11	N.A.	N.A.
Corporate information and significant accounting policies	1		
Other Notes forming part of the Standalone Financial Statements	13		

For M O S & Associates LLP
Chartered Accountants
Firm Registration No. : 001975S/S200020

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S V C Reddy
Partner
Membership No.: 224028

Place: Hyderabad
Date: 11/06/2021

For and on behalf of the Board

T. RAJIV REDDY
Director
DIN:06859435

P. PURNACHANDER RAO
Director
DIN:02230190

Bhandara Thermal Power Corporation Limited
Standalone Statement of Changes in Equity for the year ended 31st March, 2021

A. Equity Share Capital

Particulars	Note No	Amount in ₹
<i>As at 31st March 2019</i>		<i>4,98,33,340</i>
<i>Changes in Equity Share Capital</i>	7	-
<i>As at 31st March 2020</i>		<i>4,98,33,340</i>
<i>Changes in Equity Share Capital</i>	7	-
<i>As at 31st March 2021</i>		<i>4,98,33,340</i>

B. Other Equity

i. Reserves and Surplus - Retained Earnings

Particulars	Amount in ₹
<i>Balance as at 01st April 2019</i>	<i>(74,76,640)</i>
<i>Profit/ (Loss) for the year</i>	<i>(10,85,56,777)</i>
<i>Balance as at 31st March 2020</i>	<i>(11,60,33,417)</i>

Particulars	Amount in ₹
<i>Balance as at 01st April 2020</i>	<i>(11,60,33,417)</i>
<i>Profit/ (Loss) for the year</i>	<i>(1,71,160)</i>
<i>Balance as at 31st March 2021</i>	<i>(11,62,04,577)</i>

For M O S & Associates LLP
Chartered Accountants
Firm Registration No. : 001975S/S200020

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S V C Reddy
Partner
Membership No.: 224028

For and on behalf of the Board


T. RAJIV REDDY
Director
DIN: 06859435


P. PURNACHANDER RAO
Director
DIN:02230190

Place: Hyderabad
Date: 11/06/2021

Bhandara Thermal Power Corporation Limited
Standalone Statement of Cash Flows for the year ended 31st March 2021

Particulars	Amount in ₹	
	For the year ended March 31,	
	2021	2020
A Cash flow from operating activities		
Profit/(loss) after tax	(1,71,160)	(10,85,56,777)
Adjustments for		
- Provision for Expected Credit Loss	-	10,83,61,168
- Interest and other income	-	(2,362)
Operating loss before working capital changes	(1,71,160)	(1,97,971)
Changes in working capital :		
Adjustments for (increase)/ decrease in operating assets		
- Other Current Assets	-	59,178
- Other Non Current Assets	-	56,98,775
Adjustments for increase/(decrease) in operating liabilities		
- Other Current Liabilities	1,52,700	(60,48,174)
Net cash flow from/ (used in) operating activities (A)	(18,460)	(4,88,192)
B Cash flows from investing activities		
Purchase of fixed assets including changes in CWIP	-	(2,778)
Interest received	-	2,362
Net Cash from Investing Activities (B)	-	(416)
C Cash flows from financing activities		
Proceeds from Borrowings	-	3,83,000
Net cash flow from/ (used in) in financing activities (C)	-	3,83,000
D Net increase/(decrease) in cash and cash equivalents (A + B + C)	(18,460)	(1,05,608)
Cash and cash equivalents at the beginning of the year	1,82,369	2,87,977
E Cash and cash equivalents at the end of the year	1,63,909	1,82,369

For M O S & Associates LLP
Chartered Accountants
Firm Registration No. : 001975S/S200020

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S V C Reddy
Partner
Membership No.: 224028

Place: Hyderabad
Date: 11/06/2021

For and on behalf of the Board


T. RAJIV REDDY
Director
DIN: 06859435

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P. PURNACHANDER RAO
Director
DIN:02230190

Note 1: Corporate information and Significant accounting policies

Corporate information

Bhandara Thermal Power Corporation Limited is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956, to build, own and operate coal-fired power plant in India.

Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Standalone Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

i. Basis of preparation

a. Compliance with Ind AS

The Company's Financial statements have been prepared to comply with generally accepted accounting principles in accordance with the Indian Accounting Standards (herein after referred to as "Ind AS") as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 ("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendments Rules 2016.

ii. Basis of preparation and presentation of Financial Statements

The Financial statements are prepared on accrual basis following the historical cost convention except in case of certain financial instruments which are measured at fair values. The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed under Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Indian Accounting Standard (Ind AS) - 7 on "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of the financial statements along with other notes required to be disclosed under the notified Ind AS. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable. Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy used previously.

Fair value for measurement adopted in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 17, Net Realizable value as per Ind AS 2 or value in use as per Ind AS 36. Fair value measurements under Ind AS are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- *Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;*
- *Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and*
- *Level 3 inputs are unobservable inputs for the Asset or Liability.*

iii. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

iv. Revenue Recognition

a. Other Income

Interest income is accounted on accrual basis as per applicable interest rates and on time proportion basis taking into account the amount outstanding.

v. Foreign Currency Transactions

- a. The reporting currency of the company is Indian Rupee.
- b. Foreign exchange transactions are accounted at the rates prevailing on the date of the transactions.
- c. Monetary assets and current liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in the Statement of Profit and Loss.
- d. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

vi. Financial Instruments

Financial Assets and Financial Liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial Assets and Financial Liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets and Financial Liabilities (other than Financial Assets and Financial Liabilities at fair value through profit or loss) are added to or deducted from the fair value of the Financial Assets or Financial Liabilities, as appropriate, on initial recognition.

vii. Financial Assets

Financial Asset is any Asset that is -

- a. Cash
- b. Equity Instrument of another Entity,
- c. Contractual right to -
 - (i) receive Cash / another Financial Asset from another Entity, or
 - (ii) exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially favourable to the Entity.

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows

that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments, other than those stated above, which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments other than those stated above, the subsequent changes in fair value are recognized in other comprehensive income.

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

viii. Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss.

ix. Financial Liabilities

Financial liabilities are recognized at fair value net of transaction costs and are subsequently held at amortized cost using the effective interest rate method.

Financial liabilities carried at fair value through profit and loss are measured at fair value with changes in fair value recognized in the Statement of profit and loss.

x. Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

xi. De-recognition of Financial Instruments

A Financial Asset is derecognized when the right to receive cash flows from the asset has expired or the company has transferred substantially all the risks and rewards or the right to receive the cash flows under a contractual arrangement or has transferred the asset.

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expires. In the case where the existing liability is replaced by another liability either from the same lender or otherwise such an exchange is treated as de-recognition of the original liability and recognition of a new

liability. Any change in the carrying amount of a liability is recognized in the Statement of Profit and Loss.

xii. Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are those that necessarily take a substantial period of time to get ready for their intended use or sale.

Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost that is eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

xiii. Earnings Per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

xiv. Provisions and Contingent Liabilities

- a. A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be reasonably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.
- b. Contingent Liabilities are present obligations arising from a past event, when it is not probable or the probability is remote that an outflow of resources will be required to settle the obligation and they are not recognized but are disclosed in the notes forming part of the financial statements.

xv. Taxes

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in other comprehensive income. The income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date.

xvi. Statement of Cash Flows

Statement of Cash Flows is prepared by segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using the indirect method. Under the indirect method, the net profit is adjusted for the effects of:

- a. transactions of a non-cash nature;
- b. any deferrals or accruals of past or future operating cash receipts or payments;
- c. items of income or expense associated from investing or financing cash flows; and

- d. *Cash and cash equivalents (including bank balances) are reflected as such in the Statement of Cash Flows.*

xvii. Cash and Cash Equivalents

Cash and cash equivalents include cash, bank balances, fixed deposits and margin money deposits.

xviii. Commitments

Commitments are future liabilities for contractual expenditure.

Commitments are classified and disclosed as follows:

- a. *Estimated amount of contracts remaining to be executed on capital account and not provided for;*
- b. *Uncalled liability on shares and other investments partly paid;*
- c. *Funding related commitment to subsidiary, associate and joint venture companies, and;*
- d. *Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.*
- e. *Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.*

xix. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

xx. Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

xxi. Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- a. *In case of an individual asset, at the higher of the Assets' fair value less cost to sell and value in use; and*
- b. *In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.*

- c. *In assessing Value in Use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified with the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used.*

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through the Statement of Profit and Loss.

Note 2&3. Property, Plant & Equipment, Capital Work in Progress

particulars	Amount in ₹	
	As at March 31,	
	2021	2020
a) Land		
Opening balance	62,21,15,373	62,21,15,373
Additions	-	-
Disposals	-	-
Closing Gross Carrying Amount (A)	62,21,15,373	62,21,15,373
b) Capital Work in progress		
Opening balance	6,46,59,711	6,46,56,933
Additions	-	2,778
Disposals	-	-
Closing Balance (B)	6,46,59,711	6,46,59,711

The Company has pledged the entire Land, the details of the Pledge are as follows:

a) 600.46 Acres of Land has been mortgaged towards loan availed by Ultimate Holding Company (Gayatri Projects Limited)

b) 21.291 Acres of Land has been Pledged to IL&FS Financial Services Limited which is yet to release by the IL&FS as the loan is repaid by the Company.

Note 3. Reconciliation of Additions & Deletions in Capital Work in Progress:

Particulars	Amount in ₹	
	As at March 31,	
	2021	2020
Preoperative Expenditure pending allotment		
Opening Balance (A)	6,46,59,711	6,46,56,933
Add: Expenses incurred during the year (B)		
Bank Charges	-	278
Legal and Professional Charges	-	2,500
Total (A+B)	6,46,59,711	6,46,59,711
Less: Capitalised during the year		
Total	6,46,59,711	6,46,59,711

Note 4. Other Non Current Assets

Particulars	Amount in ₹	
	As at 31st March	As at 31st March
	2021	2020
(a) Contract Advance to a Company where KMP are having substantial interest (Refer Note No. 13.6)	21,55,05,477	21,55,05,477
Less: Provision for credit loss	(10,83,61,168)	(10,83,61,168)
Total	10,71,44,309	10,71,44,309

Financial Assets**Note 5. Cash and Cash Equivalents**

Amount in ₹

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
(a) Cash on hand		141		141
(b) Balances with banks in current accounts		1,63,768		1,82,228
Total		1,63,909		1,82,369

Note 6. Other current assets

Amount in ₹

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
(a) Other Advances		30,251		30,251
Total		30,251		30,251

Note 7. Share Capital

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
(a) Authorised Share Capital				
Equity shares of ₹ 10/- each	51,00,000	5,10,00,000	51,00,000	5,10,00,000
(b) Issued, Subscribed and fully paid up Share Capital				
Equity shares of ₹ 10/- each	49,83,334	4,98,33,340	49,83,334	4,98,33,340
Total	49,83,334	4,98,33,340	49,83,334	4,98,33,340

Note 7a Movements in Equity Share Capital

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
Equity shares of ₹ 10/- each with voting rights				
At the beginning of the year	49,83,334	4,98,33,340	49,83,334	4,98,33,340
Issued during the year	-	-	-	-
Closing Balance	49,83,334	4,98,33,340	49,83,334	4,98,33,340

Rights, preferences and restrictions attached to Equity Shares

The Company has only one class of shares, referred to as equity shares having a par value of ₹ 10/- per share. Each Holder of equity shares is entitled to one vote per share. The company has not declared/proposed dividend during the year. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 7b Details of shares held by the holding company and the ultimate holding company:

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
Equity shares of ₹ 10/- each with voting rights				
Gayatri Energy Ventures Private Limited - Holding Company	49,57,834	4,95,78,340	49,57,834	4,95,78,340
Gayatri Projects Limited - Ultimate Holding Company	25,500	2,55,000	25,500	2,55,000

Note 7c Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares of ₹ 10/- each with voting rights				
Gayatri Energy Ventures Pvt Ltd	49,57,834	99.49%	49,57,834	99.49%

<i>Note 8. Other Equity</i>		<i>Amount in ₹</i>	
Particulars	As at 31st March 2021	As at 31st March 2020	
<i>(a) Retained Earnings</i>			
Opening balance	(11,60,33,417)	(74,76,640)	
Add : Profit / (Loss) for the year	(1,71,160)	(10,85,56,777)	
Closing balance	(11,62,04,577)	(11,60,33,417)	

Financial Liabilities

<i>Note 9. Borrowings</i>		<i>Amount in ₹</i>	
Particulars	As at 31st March 2021	As at 31st March 2020	
<i>(a) Unsecured Loan - From Related Parties</i>			
From Holding Company	86,01,84,590	86,01,84,590	
Total	86,01,84,590	86,01,84,590	

Note 9(a) Terms of Repayment & Nature of Security

(1) The Loan obtained from the Holding Company is Unsecured, Interest Free and has no fixed Repayment Terms.

<i>Note 10. Other current liabilities</i>		<i>Amount in ₹</i>	
Particulars	As at 31st March 2021	As at 31st March 2020	
(a) Statutory Payables	13,625	12,500	
(b) Audit Fee Payable	2,86,575	1,35,000	
Total	3,00,200	1,47,500	

<i>Note 11. Other Income</i>		<i>Amount in ₹</i>	
Particulars	For the year ended March 31,		
	2021	2020	
(a) Interest Income	-	2,362	
Total	-	2,362	

<i>Note 12. Other Expenses</i>		<i>Amount in ₹</i>	
Particulars	For the year ended March 31,		
	2021	2020	
(a) Filing Fees	-	6,650	
(b) Legal and Professional Charges	17,700	25,463	
(c) Rates & Taxes	5,900	13,460	
(f) Expected Credit Loss	-	10,83,61,168	
(g) Bank Charges	60	4,898	
(h) Payments to auditors	1,47,500	1,47,500	
Total	1,71,160	10,85,59,139	

Note 13. Other Notes forming part of the Financial Statements

13.1 Contingent Liabilities

Claims against the Company / disputed liabilities not acknowledged as debts – ₹Nil (Previous Year ₹Nil).

13.2 Employee Benefits

The Company has no liability for employee benefits, in accordance with the provisions of IND AS – 19 “Employee Benefits”. Hence no provision has been made in the books of accounts.

13.3 Contracts remaining to be executed on capital account (net of advances) as on 31-03-2021 are ₹90.03 Crores (Previous Year ₹ 90.03 Crores).

13.4 As per the information available with the Company, there are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2021 are ₹ Nil (Previous Year – ₹ Nil).

13.5 Deferred Tax on timing differences between taxable income and accounting income shall be provided subject to consideration of prudence, as and when the Company commences operations.

13.6 During the preceding financial years, the company had given Contract Advance of ₹ 21,55,05,477/- to Indira Energy Holdings Private Limited (the Contractor) towards execution of road works at proposed Thermal Power Project site. As the said contract work was not executed due to various factors such as pending land acquisition, pending coal allotment and pending financial closure, etc, the management of the company. The management of the company considering the nature of advances and the long pending recovery of the same, had during the previous years provided an Expected Credit Loss (ECL) of ₹ 10,83,61,168/- and is in the process of estimating if any further ECL/provision is to be made regarding the said Contract Advance.

13.7 The ongoing Covid-19 pandemic, has affected the country and the entire globe, which has contributed to a significant decline in global and local economic activities. The company has not got effected significantly in view of the lockdown implementation in the Country. The extent to which the Covid-19 pandemic will impact the company's financials will depend on future developments, which are uncertain.

13.8 Auditors Remuneration (Excluding Tax)

Amount in ₹

Particulars	Amount in ₹	
	F.Y: 2020-21	F.Y: 2019-20
Statutory Audit Fee	1,25,000	1,25,000
Total	1,25,000	1,25,000

13.9 Related parties' disclosures

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

(a). List of Related parties and Relationships as disclosed by the Company:

Names of related parties	Description of relationship
Gayatri Energy Ventures Private Limited	Holding Company
Gayatri Projects Limited	Ultimate Holding Company
T. Rajiv Reddy - Director	
T. Sarita Reddy- Director	Key Management Personnel (KMP)
P. Purnachander Rao - Director	
T. V. Sandeep Kumar Reddy	
T. Indira Reddy	Relatives of KMP
T. Anirudh Reddy	
Companies in which KMP / Relatives of KMP can exercise significant influence	
Yamne Power Private Limited	Deep Land Holdings Private Limited
Gayatri Sugars Limited	Gayatri Hotel Ventures Private Limited
Gayatri Hitech Hotels Limited	Sai Maatarini Tollways Limited
Gayatri Hotels and Theatres Private Limited	Invento Labs Private Limited
NCC Infrastructure Holdings Limited	Gayatri Leasefin Private Limited
Hyderabad Expressways Limited	Cyberabad Expressways Limited
Gayatri Capital Limited	Gayatri Hi-Tech Hotels Limited
Sembcorp Gayatri Power Limited	Gayatri Bio-organics Limited
Idealistic Infrabuild Private Limited	Gayatri Hotels and Theatres Private Limited
Okay Infrasys Private Limited	Indira Constructions Private Limited
Tycoon Infratech Private Limited	Infraways Engineering Company Private Limited
Sucheer Infra Projects Private Limited	HKR Roadways Limited
Gayatri Fin-Holdings Private Limited	Cosmo Chemagro Agencies Private Limited
Allox Resources LLP	Indore Dewas Tollways Limited
Flynt Mining LLP	Gayatri Highways Limited (Gayatri Domicile Limited)
Indira Energy Holdings Private Limited	

b. Transactions with the Related Parties		Amount in ₹
Particulars	Holding Company	Companies in which KMP and/or their relatives are interested
Unsecured Loans- Received (Net)	- (3,83,000)	- -
Contract Advancerecovered	-	- 2,00,000
Closing Balances (Dr)	-	21,55,05,477
	-	(21,55,05,477)
Closing Balances (Cr)	86,01,84,590 (86,01,84,590)	- -

Figures in brackets relate to the previous financial year.

13.10 Earnings in Foreign Currency ₹ Nil (Previous Year ₹ Nil)
Expenditure in Foreign Currency ₹ Nil (Previous Year ₹ Nil)

13.11 Earnings Per Share

The Company has not commenced any commercial operation. During the year, no profit/(loss) is attributable to the Equity Shareholders.

13.12 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximize returns for the shareholders and benefits for other stake holders. The aim is to maintain an optimal capital structure and minimize the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with other entities in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total equity.

Amount in ₹

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Debt:		
i) Non-Current Borrowings	86,01,84,590	86,01,84,590
ii) Current Maturities of Non-Current Borrowings	Nil	Nil
Total Debt:	86,01,84,590	86,01,84,590
Equity:		
i) Equity Share capital	4,98,33,340	4,98,33,340
ii) Other Equity	(11,62,04,577)	(11,60,33,417)
Total Equity:	(6,63,71,237)	(6,62,00,007)
Total debt to equity ratio (Gearing ratio)	(12.96)	(12.99)

13.13 Fair Value Measurement

Amount in ₹

Particulars	As at 31 st March 2021	As at 31 st March 2020
Financial Assets at Amortised Cost		
Cash and cash equivalents	1,63,909	1,82,369
Other Financial Assets	-	-
Total	1,63,909	1,82,369
Financial Liabilities at Amortised Cost		
Borrowings	86,01,84,590	86,01,84,590
Total	86,01,84,590	86,01,84,590

Financial risk management

The Company's activities expose it to a variety of financial risks like market risk, credit risk and liquidity risks. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

a. **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk, includes loans and borrowings.

i. **Interest rate risk**

The borrowings of the company are from its holding company are interest free and have no fixed repayment schedule. Thus, interest rate risk is limited for the Company.

ii. **Foreign Currency Risk:**

The company has no foreign currency exposures, hence there is no foreign currency risk.

iii. **Equity Price Risks:**

There are no investments made by the company into any securities hence there is no equity price risk

b. **Credit risk management**

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risks arises from company's activities in investments and advances given. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities.(During the FY2019-20, the company has provided expected credit loss as detailed below)

S.no	Name of the Company	Nature of Amount	Amount in ₹	Provision for Credit loss Amount in ₹
1.	Indira Energy Holdings Private Limited	Contract Advance	21,55,05,477	10,83,61,168

c. **Liquidity Risk:**

Liquidity Risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's management and finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the senior management. The borrowings of the company are from its holding company are interest free and have no fixed repayment schedule. Thus, interest rate risk is limited for the Company.

13.14 *Figures have been rounded off to the nearest rupee.*

13.15 *Previous year figures have been regrouped / reclassified wherever considered necessary to conform with the current year's presentation.*

For M O S & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No.: 001975S/S200020

For and on behalf of the Board

-sd-

S V C Reddy
Partner
Membership No. 224028


T. RAJIV REDDY
Director
DIN: 06859435


P. PURNACHANDER RAO
Director
DIN: 02230190

Place: Hyderabad
Date: 11/06/2021