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Independent Auditor's Report

To the Members of HCC Power Limited

Report on the Audit of the Financial Statements

Qualified Opinion

1. We have audited the accompanying financial statements of **HCC Power Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2021**, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As more fully explained in Note 32 to the accompanying financial statements, the Company meets the criteria for being classified as a Non-Banking Financial Company ('NBFC'). However, the Company has not complied with the requirements of the Reserve Bank of India Act, 1934 ('RBI Act') in respect of NBFC including registering the Company as a NBFC, as required under section 45-IA of the RBI Act. Further, the requirements of preparation and presentation of the financial statements as applicable to the NBFCs as required under Division III of Schedule III of the Act and other compliance requirements under the RBI Act have also not been complied with by the Company. Pending regularization of the aforesaid defaults, we are unable to comment on the extent of consequential adjustment, if any, that may be required to the accompanying financial statements on account of possible fines/penalties.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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Material Uncertainty Related to Going Concern

5. We draw attention to note no. 27 to the accompanying financial statements which indicate that the Company has incurred a net loss of INR 1,658.00 lakhs during the financial year ended 31 March 2021, and as of that date, the Company's accumulated losses amounts to INR 2,988.49 lakhs and current liabilities exceeded its current assets by INR 27,116.85 lakhs. Also, the Company does not have any operations or business since incorporation. These conditions, along with other matters as set forth in the aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, basis the support of the holding company and other factors mentioned in aforesaid note to the financial statements including an escrow arrangement to repay borrowings from bank, management is of the view that the going concern basis of accounting is appropriate. Our opinion is not modified in respect of this matter.

Emphasis of Matter

6. We draw attention to Note 28 to the accompanying financial statements, regarding the Company's investments in its subsidiary company, HCC Energy Limited, and the Company's non-current financial assets and other current financial assets which includes receivables due from such subsidiary company as at 31 March 2021 aggregating INR 5 lakhs (31 March 2020: INR 5 lakhs), INR 24,165.23 Lakh (31 March 2020: INR 24,165.23 lakhs) and INR 8,302.05 (31 March 2020: INR 5,886.12) respectively. The net worth of the subsidiary company as at 31 March 2021 has been fully eroded and it has been incurring losses. Also, the subsidiary does not have any operations or business since incorporation. Based on the expected recoverability of the inter corporate deposits given to its subsidiary company which in the turn depends on the recoverability of the inter corporate deposits given by the subsidiary company to HCC Infrastructure Company Limited, the holding company, the Company's management believes that there is no decline in the carrying amounts of such non-current investments and the receivables are also fully recoverable. The appropriateness of management's assessment on recoverability of the investment and receivables is dependent upon the recoverability of these inter-corporate deposits, as mentioned in aforesaid note. Our opinion is not modified in respect of this matter.

Information other than the Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report, etc., but does not include the financial statements and our auditor's report thereon.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information 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.

   The director's report, etc. is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

8. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * 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.

9. 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.

Auditor's Responsibilities for the Audit of the Financial Statements

10. 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 Standards on Auditing 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.

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

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

    - 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;

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12. 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.

Report on Other Legal and Regulatory Requirements

13. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

14. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

15. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and except for the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    b) except for the possible effects of the matter described in the Basis for Qualified Opinion section, 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 financial statements dealt with by this report are in agreement with the books of account;

    d) except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) the matter described in paragraph 3 under the Basis for Qualified Opinion section, in paragraph 6 under the Emphasis of Matter section and in section 5 under the Material uncertainty related to Going concern section, in our opinion, may have an adverse effect on the functioning of the Company;

    f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

    g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section;

    h) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report as per Annexure B expressed modified opinion; and

    i) 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 does not have any pending litigation which would impact its financial position as at 31 March 2021;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

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iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Vijay. D Jain

Vijay D. Jain
Partner
Membership No:117961

UDIN:21117961AAAAAK6023

Place: Mumbai
Date: 21 June 2021

Annexure A to the Independent Auditor's Report of even date to the members of HCC Power Limited, on the financial statements for the year ended 31 March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i)

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has granted interest bearing unsecured loan to one company covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.

(b) the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/receipts of the principal amount and the interest are regular;

(c) in the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

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Annexure A (Contd)

(c) There are no dues in respect of income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) There are no loans or borrowings payable to financial institutions or government and no dues payable to debenture-holders. The Company has defaulted in repayment of loan or borrowings to the following banks which were paid on or before the balance sheet date:-

Name of the bank	Delay in days	Principal	Interest	Total
Yes Bank – Term Loan	0-180 Days	597.00	-	597.00
	Above 180 Days	430.51	-	430.51

The Company has defaulted in repayment of loans/borrowings to the following bank which were not paid as at the balance sheet date :-

Name of the bank	Delay in days	Principal	Interest	Total
Yes Bank – Term Loan	0-180 Days	-	1,738.74	1,738.74
	Above 180 Days	23,659.49	3,968.67	27,628.16

(ix) The Company did not raise moneys by way of term loans or by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has no paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

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Annexure A (Contd)

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, however such registration has not been obtained by the Company for the reasons mentioned in note 32 to the accompanying financial statements. Also, refer 'Basis for Qualified Opinion' section of our audit report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Vijay. D Jain

Vijay D. Jain
Partner
Membership No:117961

UDIN:21117961AAAAAK6023

Place: Mumbai
Date: 21 June 2021

Annexure B to the Independent Auditor's Report of even date to the members of HCC Power Limited, on the financial statements for the year ended 31 March 2021

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of HCC Power Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Annexure B (Contd)

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at 31 March 2021:

   a) The Company's internal financial controls with respect to compliance with laws and regulations of the Reserve Bank of India Act, 1934 ('RBI Act') towards registration of the Company as a Non-Banking Finance Company ('NBFC') under Section 45-IA of the RBI Act and consequent preparation and presentation of the financial statements as required under Division III of Schedule III of the Companies Act, 2013 and the RBI Act were not operating effectively, which could potentially result in material misstatements in the presentation and disclosures in the Company's financial statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

10. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at 31 March 2021.

11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as at and for the year ended 31 March 2021, and the material weakness has affected our opinion on the financial statements of the Company and we have issued a Qualified opinion on the financial statements.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Vijay. D Jain

Vijay D. Jain
Partner
Membership No:117961

UDIN:21117961AAAAAK6023

Place: Mumbai
Date: 21 June 2021

HCC Power Limited
Balance sheet as at 31 March 2021

Particulars	Note No.	As at 31 March 2021 (₹ lakhs)	As at 31 March 2020 (₹ lakhs)
ASSETS			
Non-current assets			
Property, plant and equipment	3	-	0.15
Investment in subsidiary	4	5.00	5.00
Financial assets			
Loans	5	24,165.23	24,165.23
Other non-current assets	6	42.15	100.99
Income tax assets (net)	7	378.02	192.44
Total non-current assets		**24,590.40**	**24,463.81**
Current assets			
Financial assets			
Cash and cash equivalents	8	10.72	2.37
Other financial assets	9	8,302.05	5,886.12
Other current assets	6	61.56	62.05
Total current assets		**8,374.33**	**5,950.54**
TOTAL ASSETS		**32,964.73**	**30,414.35**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10	50.00	50.00
Other equity		(2,576.45)	(918.45)
Total equity		**(2,526.45)**	**(868.45)**
LIABILITIES			
Current liabilities			
Financial liabilities			
Borrowings	12	5,489.19	4,461.69
Trade payables	13		
(i) total outstanding dues of micro and small enterprises		-	-
(ii) total outstanding dues other than (i) above		408.12	2.77
Other financial liabilities	14	29,590.49	26,818.31
Other current liabilities	15	3.38	0.03
Total current liabilities		**35,491.18**	**31,282.80**
TOTAL EQUITY AND LIABILITIES		**32,964.73**	**30,414.35**

Summary of significant accounting policies and other explanatory information 2

The accompanying notes forms an integral part of the financial statements

This is the Balance Sheet referred to in our audit report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N / N500013

Vijay D. Jain

Vijay D. Jain
Partner
Membership No: 117961

Place: Mumbai
Date: 21 June 2021

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For and on behalf of the Board of Directors

Shekhar Mordekar
Director
DIN No : 08941107

Place: Mumbai
Date: 21 June 2021

FIROZ DEBOO

Firoz Deboo
Director
DIN No : 08940953

HCC Power Ltd.

HCC Power Limited
Statement of profit and loss for the year ended 31 March 2021

Particulars	Note No.	Year ended 31 March 2021 (₹ lakhs)	Year ended 31 March 2020 (₹ lakhs)
Income			
Other income	16	2,659.08	2,659.73
Total income		**2,659.08**	**2,659.73**
Expenses			
Finance costs	17	3,864.11	3,044.36
Depreciation and amortisation expense	18	0.15	0.14
Other expenses	19	452.82	3.91
Total expenses		**4,317.08**	**3,048.41**
(Loss) before tax		**(1,658.00)**	**(388.68)**
Tax expense			
Current income tax		-	-
Deferred income tax		-	-
(Loss) for the year (A)		**(1,658.00)**	**(388.68)**
Other comprehensive income/ (loss) for the year, net of tax (B)		-	-
Total comprehensive (loss) for the year, net of tax (A+B)		**(1,658.00)**	**(388.68)**
(Loss) per equity share of each having face value of ₹10 each	20		
Basic (in ₹)		(331.60)	(77.74)
Diluted (in ₹)		(331.60)	(77.74)

Summary of significant accounting policies and other explanatory information 2

The accompanying notes forms an integral part of the financial statements

This is the statement of profit and loss referred to in our audit report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N / N500013

Vijay. D. Jain

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 21 June 2021

WALKER CHANDIOK & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Shekhar Mordekar
Director
DIN No : 08941107

Place: Mumbai
Date: 21 June 2021

Firoz Deboo
Director
DIN No : 08940953

HCC Power Ltd.

HCC Power Limited
Statement of cash flow for the year ended 31 March 2021

Particulars	Year ended 31 March 2021 (₹ lakhs)	Year ended 31 March 2020 (₹ lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before tax	(1,658.00)	(388.68)
Adjustments for:		
Depreciation and amortisation expenses	0.15	0.14
Finance costs	3,864.11	3,044.36
Profit on redemption of mutual funds investments	-	(1.30)
Interest on inter corporate deposits	(2,658.18)	(2,658.18)
Operating loss before working capital changes	**(451.92)**	**(3.66)**
Adjustments for changes in working capital:		
Increase in trade payables	405.35	1.56
Increase/(decrease) in other current assest	0.49	(1.27)
Increase/(decrease) in other current liabilities	3.35	(0.10)
Cash (used in) operations	**(42.73)**	**(3.47)**
Direct taxes paid (net of refund)	(185.58)	(175.49)
Net cash used in operating activities (A)	**(228.31)**	**(178.96)**
B.CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from redemption of mutual funds	-	65.00
Interest income	242.25	3,388.18
Net cash generated from investing activities (B)	**242.25**	**3,453.18**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(1,027.51)	(1,313.00)
Proceeds from short term borrowings	1,027.50	-
Interest paid	(5.58)	(1,962.01)
Net cash used in financing activities (C)	**(5.59)**	**(3,275.01)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	8.35	(0.79)
Cash and cash equivalents at the beginning of the year	2.37	3.16
Cash and cash equivalents at the end of the year (Refer Note 8)	**10.72**	**2.37**

Note:-
The Statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. (Refer note 26).

The accompanying notes forms an integral part of the financial statements

This is the cash flow statement referred to in our audit report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N / N500013

Vijay · D Jain

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 21 June 2021

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Shekhar Mordekar
Director
DIN No : 08941107

Place: Mumbai
Date: 21 June 2021

DEBOO FIROZ

Firoz Deboo
Director
DIN No : 08940953

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HCC Power Ltd.

HCC Power Limited
Statement of changes in equity for the year ended 31 March 2021

A) Equity share capital (Refer note 10)

Particulars	Number	Amount (₹ lakhs)
Equity shares of ₹10 each issued, subscribed and paid up		
As at 31 March 2019	5,00,000	50.00
Issue of equity shares	-	-
As at 31 March 2020	5,00,000	50.00
Issue of equity shares	-	-
As at 31 March 2021	5,00,000	50.00

B) Other equity

(₹ lakhs)

Particulars	Deemed equity Investment (Note I)	Reserves and surplus (Note ii)	Total equity attributable to equity holders
As at 31 March 2019	412.04	(941.81)	(529.77)
Loss for the year	-	(388.68)	(388.68)
Addition during the year	-	-	-
Other comprehensive income/(loss)	-	-	-
As at 31 March 2020	412.04	(1,330.49)	(918.45)
Loss for the year	-	(1,658.00)	(1,658.00)
Addition during the year	-	-	-
Other comprehensive income/(loss)	-	-	-
As at 31 March 2021	412.04	(2,988.49)	(2,576.45)

Nature and purpose of the reserves

i) Deemed equity investment
The holding company when transfers benefit to the Company in form of financial guarantee a deemed equity investment account is created. This will be derecognised on disposal of control in the Company.

ii) Reserves and surplus
Reserves and surplus represents accumulated profits/(losses) that the Company has earned/ incurred till date as reduced by dividends or other distribution paid by to the equity shareholders.

The accompanying notes forms an integral part of the financial statements

This is the statement of changes in equity referred to in our audit report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N / N500013

Vijay D. Jain
Partner
Membership No.: 117961

Place : Mumbai
Date: 21 June 2021

For and on behalf of the Board of Directors

Shekhar Mordekar
Director
DIN No : 08941107

Place : Mumbai
Date: 21 June 2021

Firoz Deboo
Director
DIN No : 08940953

1 Corporate Information

HCC Power Limited (the Company) was incorporated under provisions of the Companies Act applicable in India, on 3 June 2011. The Company having CIN U40300MH2011PLC218286 is primarily engaged in development of power business. The Company is a wholly owned subsidiary of HCC Infrastructure Company Limited. In the coming years, the Company anticipates to bid in the Solar Project.

The financial statements of the Company for the year ended 31 March 2021 were authorised for issue in accordance with resolution of the Board of Director on 21 June 2021.

2 Significant accounting policies

I) Basis of preparation

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

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 hitherto in use.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Companies Act, 2013 ("the Act"). Based on nature of products / services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

II) Accounting estimates and assumptions

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes 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.

Valuation of Investment in/ loans to subsidiaries and other group companies

The Company performs valuation for its investments in equity/debentures of subsidiaries for assessing whether there is any impairment in the fair value. When the fair value of investments in subsidiaries cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. Similar assessment is carried for exposure of the nature of loans and interest receivable thereon. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as expected earnings in future years, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of these investments.

Deferred tax assets

In assessing the realisability of deferred income tax assets including Minimum Alternate Tax, management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term, if estimates of future taxable income during the carry forward period are reduced.

III) Property, plant and equipment (Tangible assets)

Property,plant and equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to property,plant and equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of profit and loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct allocable overheads.

Iv) Intangible assets

Intangible assets comprise of trademark and design, license fees and implementation cost for software and other application software acquired / developed for in-house use. These assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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v) **Depreciation and amortisation**

Depreciation is provided on the written down value basis over the estimated useful lives of the assets on a pro-rata basis. The useful lives have been determined based on technical evaluation carried out by the management's expert, in order to reflect the actual usage of the assets. The asset's useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Intangible assets with finite lives are amortised on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The estimated useful lives are as below:
Furniture and fixtures : 15 years

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

vi) **Financial instruments**

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.

a) Financial assets

Initial recognition:

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortized cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these 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. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

In respect of equity investments (other than for investment in subsidiaries and associates) which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Company on an instrument by instrument basis at the time of transition for existing equity Instruments/ initial recognition for new equity instruments.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its investments in subsidiaries, associates and joint ventures and used that carrying value as the deemed cost of these investments on the date of transition i.e. 1 April 2015.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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 that 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 recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group 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) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

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b) Equity Instruments and Financial Liabilities
Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

b) Financial Liabilities

1) Initial Recognition
Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2) Subsequent Measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVPL
Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

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 amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Where the Company issues optionally convertible debenture, the fair value of the liability portion of such debentures is determined using a market interest rate for an equivalent non-convertible debenture. This value is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the debentures. The remainder of the proceeds is attributable to the equity portion of the instrument. This is recognised and included in shareholders' equity (net of income tax) and are not subsequently re-measured.

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 the debt instrument. Financial guarantee contracts are recognized 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 recognized less cumulative amortization.

Where the terms of a financial liability is re-negotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss; measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.

3) De-recognition of Financial Liabilities
Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

4) Offsetting 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.

vii) Income tax
Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a) Current income tax
Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b) Deferred income tax
Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

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viii) Revenue recognition

i Revenue
Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those services. Revenue from services is accounted net of taxes.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

ii Dividend income
Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

iii Finance and other income
Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

ix) Borrowing costs
Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.
Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

x) Provisions, contingent liabilities and contingent assets
A provision is recognised when the 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 of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects 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. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are disclosed where an inflow of economic benefit is probable.

xi) Earning per share
Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and 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).

xii) Lease
Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where the lease payments are structured to increase in line with expected general inflation. Assets acquired on finance lease are capitalised at fair value or present value of minimum lease payment at the inception of the lease, whichever is lower.

xiii) 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 recognised 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:
- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- 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.

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 to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to 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 recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

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xiv) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

xv) Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

xvi) Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the EIR method.

xvii) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

xviii) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "power generation". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

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3 Property, plant and equipment

(₹ lakhs)

Particulars	Furniture and Fixtures	Total
Balance as at 01 April 2019	0.86	0.86
Additions	-	-
Disposals	-	-
Balance as at 31 March 2020	**0.86**	**0.86**
Additions	-	-
Disposals	-	-
Balance as at 31 March 2021	**0.86**	**0.86**
Accumulated depreciation		
Balance as at 01 April 2019	0.57	0.57
Charge for the year	0.14	0.14
Disposals	-	-
Balance as at 31 March 2020	**0.71**	**0.71**
Charge for the year	0.15	0.15
Disposals	-	-
Balance as at 31 March 2021	**0.86**	**0.86**
Net carrying value		
Balance as at 31 March 2020	**0.15**	**0.15**
Balance as at 31 March 2021	-	-

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HCC Power Ltd. *

		As at 31 March 2021 (₹ lakhs)	As at 31 March 2020 (₹ lakhs)
4	**Investment in subsidiary**		
	Non-current		
	(Face value of ₹10 each, unless otherwise stated, fully paid up)		
	Investments valued at deemed cost		
	In equity instruments of subsidiary company (unquoted)		
	HCC Energy Limited	5.00	5.00
	50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each		
	Total non-current investments	**5.00**	**5.00**
	Details-		
	Aggregate on non-current investments :		
	Quoted investments	-	-
	Unquoted investments	5.00	5.00
	Impairment in value of investments	-	-
5	**Loans**		
	Non-current		
	Inter corporate deposits to related party* (Refer note 21)	24,165.23	24,165.23
	Total loans	**24,165.23**	**24,165.23**
	Break up of security details		
	Loans, considered good - secured	-	-
	Loans, considered good - unsecured	24,165.23	24,165.23
	Loans which have significant increase in credit risk	-	-
	Loans- credit impaired	-	-
	Total	**24,165.23**	**24,165.23**

*Inter corporate deposits are given to HCC Energy Limited at an effective interest rate of 11% p.a.

6	**Other non-current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Non-current		
	Financial guarantees (Refer note 21)	42.15	100.99
	Total non-current assets	**42.15**	**100.99**
	Current		
	Financial guarantees (Refer note 21)	58.84	58.84
	Advances to related party (Refer note 21)	2.72	3.03
	Balances with government authorities	-	0.18
	Total current assets	**61.56**	**62.05**

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		As at 31 March 2021 (₹ lakhs)	As at 31 March 2020 (₹ lakhs)
7	**Income-tax assets (net)**		
	The following table provides the details of income tax assets and liabilities:		
	Income tax assets		
	Tax deducted at source	378.02	192.44
	Net balance	**378.02**	**192.44**
	The gross movement in the current tax asset/ (liability) for the year ended is as follows:		
	Net current income tax asset at the beginning	**192.44**	**16.95**
	Income tax paid (net of refund)	(13.78)	(3.18)
	Tax deducted at source	199.36	178.67
	Net non-current income tax asset at the end	**378.02**	**192.44**

Note:
The Company has not recognised deferred tax assets, in view of absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

		As at 31 March 2021 (₹ lakhs)	As at 31 March 2020 (₹ lakhs)
8	**Cash and cash equivalents**		
	Balances with banks in current accounts	10.72	2.37
	Total cash and cash equivalents	**10.72**	**2.37**
9	**Other financial assets**		
	Current		
	Interest receivable on inter corporate deposits (Refer note 21)	8,344.93	5,886.12
	Less: Loss allowance (Refer note 21)	(42.88)	-
	Total current financial assets	**8,302.05**	**5,886.12**
i.	**Break up of security details**		
	Interest on inter corporate deposits given to related parties		
	Interest receivable, considered good - secured	-	-
	Interest receivable, considered good - unsecured	8,302.05	5,886.12
	Interest receivable which have significant increase in credit risk	42.88	-
	Interest receivable- credit impaired	-	-
		8,344.93	**5,886.12**
	Less: Loss allowance	(42.88)	-
	Total interest receivables from related parties	**8,302.05**	**5,886.12**

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	As at 31 March 2021 (₹ lakhs)	As at 31 March 2020 (₹ lakhs)
10 Equity share capital		
Authorised share capital		
1,000,000 (31 March 2020: 1,000,000) Equity Shares of ₹ 10 each	100.00	100.00
Total authorised share capital	**100.00**	**100.00**
Issued, subscribed and fully paid up		
500,000 (31 March 2020: 500,000) Equity Shares of ₹ 10 each	50.00	50.00
Total issued, subscribed and paid up	**50.00**	**50.00**

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	₹ lakhs	No. of shares	₹ lakhs
At the beginning of the year	5,00,000	50.00	5,00,000	50.00
Movement during the year	-	-	-	-
At the end of the year	**5,00,000**	**50.00**	**5,00,000**	**50.00**

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

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

(c) Details of shareholders holding more than 5% of shares and shares held by Holding company

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 10 each fully paid				
HCC Infrastructure Company Limited (Holding Company)	4,99,940	99.98%	4,99,940	99.98%

(d) No additional shares were allotted as fully paid up by way of bonus shares or for consideration other than cash and also no shares have been bought back during the last five years

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HCC Power Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2021

	As at 31 March 2021 (₹ lakhs)	As at 31 March 2020 (₹ lakhs)
11 Borrowings (non-current)		
Secured		
Term loans		
From bank		
Rupee Loan from Yes Bank Limited	23,659.49	24,687.00
Total	**23,659.49**	**24,687.00**
Less: Current maturity of long term debt (Refer note 14)	(23,659.49)	(24,687.00)
Total non-current borrowings	-	-
Term loans from bank		
Term Loan I - (TL-I) Carrying floating interest rate ranging from 11.25% to 11.50% p.a., repayable in 20 structured quarterly installments commencing from March 2017 and ending on December 2022	10,200.00	10,200.00
Term Loan II - (TL-II) Carrying floating interest rate ranging from 10.65% to 12.55% p.a, repayable in 20 structured quarterly installments commencing from November 2018 and ending on August 2023	6,369.49	7,397.00
Term Loan III - (TL-III) Carrying floating interest rate 10.75% to 11.75 p.a, repayable in 20 structured quarterly installments commencing from April 2019 and ending on January 2024	4,750.00	4,750.00
Term Loan IV - (TL-IV) Carrying floating interest rate 10.75% to 11.50% p.a., repayable in 20 structured quarterly installments commencing from June 2019 and ending on March 2024	2,340.00	2,340.00
	23,659.49	**24,687.00**

Security created in respect of above loans

(i) First Pari passu charge on all assets of the borrower.

(ii) Extension of Pledge of Shares of HCC Infrastructure Company Limited (HICL) in HCC Concessions Limited already pledged with Yes Bank Limited towards borrowing of the HCC Infrastructure Company Limited.

(iii) Unconditional and irrevocable guarantee from HCC infrastructure Company Limited.

(iv) Unconditional and irrevocable Guarantee from Hindustan Construction Company Limited.

(v) Extension of the second pari passu charge over entire assets of HCC Infrastructure Company Limited.

(vi) Pledge over 30% equity shares of HCC Power Limited held by HCC Infrastructure Company Limited in favour of IDBI Trusteeship Services Limited as Security Trustee for TL-I, TL-II, TL-III and TL-IV sanctioned by lender to HCC Power Limited, to be reduced to 15% on repayment of 50% of the sanctioned facilities.

(vii) Unconditional and irrevocable guarantee from HCC Real Estate Limited (Upto 40% of term loan) for TL-IV.

(viii) Future receivables of HCC Concession Limited (joint venture of the holding company) are hypothicated againts borrowings mentioned above.

Summary of default in repayment

Particulars	0 - 180 days		Above 180 days		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
Term Loan I - (TL-I)	-	711.87	10,200.00	1,694.10	10,200.00	2,405.96
Term Loan II - (TL-II)	-	529.83	6,369.49	1,154.24	6,369.49	1,684.08
Term Loan III - (TL-III)	-	337.36	4,750.00	750.65	4,750.00	1,088.01
Term Loan IV - (TL-IV)	-	159.68	2,340.00	369.67	2,340.00	529.36
Total	-	**1,738.74**	**23,659.49**	**3,968.67**	**23,659.49**	**5,707.41**

	As at 31 March 2021 (₹ lakhs)	As at 31 March 2020 (₹ lakhs)
12 Borrowings (current)		
Unsecured		
Inter corporate deposits from related parties (Refer note 21)	5,489.19	4,461.69
Total current borrowings	**5,489.19**	**4,461.69**

Ineterst rate and terms of repayment

Name of company	Rate of Interest	Repayment	As at 31 March 2021 (₹ lakhs)	As at 31 March 2020 (₹ lakhs)
HCC Infrastructure Company Limited	Interest free	Repayable on demand	4461.69	4461.69
HCC Concessions Limited	11.00%	Repayable on demand	1027.50	-
			5489.19	**4461.69**

		As at 31 March 2021 (₹ lakhs)	As at 31 March 2020 (₹ lakhs)
13	**Trade payables**		
	Current		
	Total outstanding dues of Micro and small enterprises (Refer note [a] below)	-	-
	Total outstanding dues of creditors other than Micro and small		
	- related parties (Refer note 21)	0.27	0.09
	- others	407.85	2.68
	Total trade payables	**408.12**	**2.77**

(a) The Company has not received any intimation from suppliers regarding their status under Micro Enterprises and Small Enterprises Development Act, 2006, hence, disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have been on the basis of information available with the Company. Management believes that figures for disclosure, if any, will not be significant.

(b) Trade payables are non interest bearing and are normally settled as per the payment terms attached in the contract.

14	**Other financial liabilities**		
	Current		
	Current maturities of long term debt (Refer note 11)	23,659.49	24,687.00
	Interest accrued and due on inter corporate deposits (Refer note 21)	223.59	181.39
	Interest accrued and due on borrowings	5,707.41	1,949.92
	Interest accrued but not due on borrowings	-	-
	Total other financial liabilities	**29,590.49**	**26,818.31**
15	**Other current liabilities**		
	Statutory dues	3.38	0.03
	Total other current liabilities	**3.38**	**0.03**

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		Year ended 31 March 2021 (₹ lakhs)	Year ended 31 March 2020 (₹ lakhs)
16	**Other income**		
	Interest on inter corporate deposits (Refer note 21)	2,658.18	2,658.18
	Interest on income tax refund	0.90	0.25
	Profit on sale of mutual fund investments	-	1.30
	Total other income	**2,659.08**	**2,659.73**
17	**Finance costs**		
	Interest expense on:		
	- term loans	3,757.49	2,985.52
	- inter corporate deposits (Refer note 21)	47.78	-
	- unwinding of financial guarantee (Refer note 21)	58.84	58.84
	Total finance cost	**3,864.11**	**3,044.36**
18	**Depreciation and amortisation expense**		
	Depreciation and amortisation expense	0.15	0.14
	Total depreciation and amortisation expense	**0.15**	**0.14**
19	**Other expenses**		
	Rates and taxes	0.06	0.08
	Legal and professional	4.07	2.48
	Director sitting fees (Refer note 21)	-	0.12
	Penal charges on borrowing cost	405.00	-
	Loss allowance on ICD receivables including interest (Refer note 21)	42.88	-
	Payment to auditors (including GST)		
	Statutory audit fees	0.70	0.50
	Others	-	0.71
	Miscellaneous	0.11	0.02
	Total other expenses	**452.82**	**3.91**

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20 (Loss) per share

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Net (loss) as per Statement of profit and loss available for equity shareholders (₹ lakhs) (A)	(1,658.00)	(388.68)
Weighted average number of equity shares for EPS computation (B)	5,00,000	5,00,000
(Loss) per share (Basic) (in ₹) (A/B)	(331.60)	(77.74)
(Loss) per share (Diluted) (in ₹) (A/B)	(331.60)	(77.74)

21 Disclosure in accordance with Ind-AS 24 Related Party Transactions
i) Name of Related Party and Nature of Relationship

Nature of relationship and name of related party
Holding company
HCC Infrastructure Company limited

Subsidiary
HCC Energy Limited

Entities under common control (to the extent transactions entered during the month)
HCC Operation and Maintenance Limited
HCC Concessions Limited

Key Managerial Personnel (KMP)
Manish Kumar Khanna - Independent Director (till 30 July 2019)
Chandrahas Vinod Zaveri - Independent Director((till 30 July 2019)
Shekhar Mordekar - Director (w.e.f 10 November 2020)
Firoz Deboo - Director (w.e.f 10 November 2020)
Mahesh Gaikwad - Non Executive Director (till 11 Nov.2020)
Ravindra Singh - Director (w.e.f 07 May 2019 and till 30 March 2021)
Kiran Kakkar - Director (w.e.f 07 May 2019)

ii) Transactions and balances with related parties :

Nature of transactions	Holding company/Subsidiary company		Entities under common control		KMP	
	Year ended 31 March 2021 (₹ lakhs)	Year ended 31 March 2020 (₹ lakhs)	Year ended 31 March 2021 (₹ lakhs)	Year ended 31 March 2020 (₹ lakhs)	Year ended 31 March 2021 (₹ lakhs)	Year ended 31 March 2020 (₹ lakhs)
Transaction entered during the year:-						
Inter corporate deposit taken during the year						
HCC Concession Limited	-	-	1,027.51	-	-	-
Refund of inter corporate deposit granted						
HCC Energy Limited	-	-	-	-	-	-
Interest on inter corporate deposits, paid						
HCC Infrastructure Company Limited	2.00	193.50	-	-	-	-
HCC Concession Limited	-	-	-	-	-	-
Interest on inter corporate deposits, received						
HCC Energy Limited	-	3,209.51	-	-	-	-
Unwinding of financial guarantee						
HCC Infrastructure Company Limited	58.84	58.84	-	-	-	-
Interest on inter corporate deposits						
HCC Energy Limited	2,658.18	2,658.18	-	-	-	-
Interest on inter inter corporate deposits taken						
HCC Concession Limited	-	-	47.78	-	-	-
Loss Allowance on Interest Receivable on ICD						
HCC Energy Limited	42.88	-				-
Advance given						
HCC Concession Limited	-	-	-	20.04	-	-
HCC Operations and Maintenance Limited	-	-	-	13.25	-	-
Advance received back						
HCC Concession Limited	-	-	-	21.51	-	-
HCC Operations and Maintenance Limited	-	-	-	9.97	-	-
Expenses incurred for the Company						
HCC Operations and Maintenance Limited	-	-	0.32	0.25	-	-
HCC Concession Limited	-	-	0.18	0.35	-	-
Director Sitting fees						
Manish Kumar Khanna	-	-	-	-	-	0.06
Chandrahas Vinod Zaveri	-	-	-	-	-	0.06

Refer note 11 for security given by related party

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Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2021

Nature of transactions	Holding company/Subsidiary company		Entities under common control		KMP	
	As at 31 March 2021 (₹ lakhs)	As at 31 March 2020 (₹ lakhs)	As at 31 March 2021 (₹ lakhs)	As at 31 March 2020 (₹ lakhs)	As at 31 March 2021 (₹ lakhs)	As at 31 March 2020 (₹ lakhs)
Balance outstanding						
Interest payable						
HCC Infrastructure Company Limited	179.39	181.39	-	-	-	-
HCC Concession Limited	-	-	44.20	-	-	-
Interest receivable on inter corporate deposits						
HCC Energy Limited	8,344.93	5,886.12	-	-	-	-
Impairment allowance on interest accrued and due on intercorporate deposit given						
HCC Energy Limited	42.88	-	-	-	-	-
Other receivable						
HCC Concession Limited	-	-	-	-	-	-
HCC Operations & Maintenance Ltd.	-	-	2.72	3.03	-	-
Intercorporate deposit given						
HCC Energy Limited	24,165.23	24,165.23	-	-	-	-
Intercorporate deposit taken						
HCC Infrastructure Company Limited	4,461.69	4,461.69	-	-	-	-
HCC Concession Limited	-	-	1,027.50			
Financial guarantee						
HCC Infrastructure Company Limited	100.99	159.83	-	-	-	-
Trade payable						
HCC Concession Limited			0.18			
Manish Kumar Khanna	-	-	-	-	0.05	0.05
Chandrahas Vinod Zaveri	-	-	-	-	0.04	0.04

Refer note 11 for security given by related party

22 Contingent liabilities

Claims /penalty against the company not acknowledged as debt :	As at 31 March 2021 (₹ lakhs)	As at 31 March 2020 (₹ lakhs)
Excess liability shown by bank in statement recognised as contingent liability	1,691.11	958.66
Total	**1,691.11**	**958.66**

As per the loan statement and confirmation received from bank, loan outstanding balance (including interest) as on 30 March 2020 has been shown as new loan (including interest portion) on 31 March 2020. Bank has converted excess liability by ₹ 958.66 lakhs in comparision of actual liabilitiy of the company as per financial statements. During the current year bank has charged additional penal interest to the extent of ₹ 732.45 Lakhs. Above mentioned is shown as contingent liability becasue matter is under discussion with bank in respect of excess balance shown in the loan statement as well as confirmation received.

23 Fair value measurements

A Financial instruments by category

The carrying value and the fair value of financial instruments by each category as at 31 March 2021:

(₹ lakhs)

Particulars	Financial assets / liabilities at amortised costs	Financial assets / liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total fair value	Total carrying value
Assets					
Loans	24,165.23	-	-	24,165.23	24,165.23
Cash and cash equivalents	10.72	-	-	10.72	10.72
Liabilities					
Borrowings (including current maturities)	29,148.68	-	-	29,148.68	29,148.68
Trade payables	408.12	-	-	408.12	408.12
Other financial liabilities	29,590.49	-	-	29,590.49	29,590.49

The carrying value and the fair value of financial instruments by each category as at 31 March 2020:

(₹ lakhs)

Particulars	Financial assets / liabilities at amortised costs	Financial assets / liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total fair value	Total carrying value
Assets					
Loans	24,165.23			24,165.23	24,165.23
Cash and cash equivalents	2.37	-	-	2.37	2.37
Liabilities					
Borrowings (including current maturities)	29,148.69	-	-	29,148.69	29,148.69
Trade payables	2.77	-	-	2.77	2.77
Other financial liabilities	26,818.31	-	-	26,818.31	26,818.31

B Fair value hierarchy

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

Level 2 - Inputs other than quoted prices included within Leval 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. dervied from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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24 Financial risk management objectives and policies

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

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.

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. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's total debt obligations with floating interest rates.

According to the Company's interest rate exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Particulars	As at 31 March 2021 (₹ lakhs)	As at 31 March 2020 (₹ lakhs)
Fixed rate borrowings	23,659.49	24,687.00
Variable rate borrowings	5,489.19	4,461.69
Total Borrowings	**29,148.68**	**29,148.69**

Interest rate sensitivity

A change in 50 bps in interest rates would have following impact on profit/(loss) before tax

(₹ lakhs)

Particulars	31 March 2021 (₹ lakhs)	31 March 2020 (₹ lakhs)
50 bp increase would increase the loss before tax by	(118.30)	(123.43)
50 bp increase would decrease the loss before tax by	118.30	123.43

Foreign currency risk

The Company has no balances in foreign currency and consequently the Company is not exposed to foreign exchange risk.

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by cash and cash equivalents and other receivable.

Liquidity risks

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach for managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damages to the company's reputation. Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations.

Maturity analysis of financial liabilities

As at 31 March 2021 (₹ lakhs)

Particulars	Contractual cash flow			
	On demand	0-12 Months	Above 1 year	Total
Borrowings	29,148.69	-	-	29,148.69
Trade payables	-	408.12	-	408.12
Other financial liabilities	5,931.00	0.00	-	5,931.00
Total	**35,079.68**	**408.12**	**-**	**35,487.80**

As at 31 March 2020 (₹ lakhs)

Particulars	Contractual cash flow			
	On demand	0-12 Months	Above 1 year	Total
Borrowings	29,148.69	-	-	29,148.69
Trade payables	-	2.77	-	2.77
Other financial liabilities	2,131.31	-	-	2,131.31
Total	**31,280.00**	**2.77**	**-**	**31,282.77**

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25 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 maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise 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 others in the industry, the Company monitors its capital using the gearing ratio which is net debt divided by total capital plus total debt.

Particulars	31 March 2021 (₹ lakhs)	31 March 2020 (₹ lakhs)
Total debt (A)	35,079.68	31,280.00
Less: cash and cash equivalents (B)	(10.72)	(2.37)
Total net debt C= (A-B)	**35,068.97**	**31,277.63**
Total equity (D)	(2,526.45)	(868.45)
Total debt to equity ratio E= (C/D)	**(13.88)**	**(36.02)**

26 Net debt reconciliation

Particulars	As at 31 March 2021 (₹ lakhs)	As at 31 March 2020 (₹ lakhs)	As at 31 March 2019 (₹ lakhs)
Cash and cash equivalents	10.72	2.37	3.16
Liquid investments	-	-	63.70
Non-current borrowings (includes of current maturities of long term borrowings)	(23,659.49)	(24,687.00)	(26,000.00)
Current borrowings	(5,489.19)	(4,461.69)	(4,461.69)
Other financial liabilities	(5,931.00)	(2,131.31)	(1,107.80)
Net Debt	**(35,068.96)**	**(31,277.63)**	**(31,502.63)**

(₹ lakhs)

Particulars	Cash and cash equivalents	Liquid Investments	Non-current borrowing (including of current maturities of long term borrowings)	Current borrowings	Interest payable	Total
Net debt as at 31 March 2019	**3.16**	**63.70**	**(26,000.00)**	**(4,461.69)**	**(1,107.80)**	**(31,502.63)**
Cash flows	(0.79)	(65.00)	1,313.00	-		**1,247.21**
Interest paid					1,962.01	**1,962.01**
Interest cost	-	-	-	-	(2,985.52)	**(2,985.52)**
Profit on sales of mutual fund investments	-	1.30	-	-	-	**1.30**
Net debt as at 31 March 2020	**2.37**	**-**	**(24,687.00)**	**(4,461.69)**	**(2,131.31)**	**(31,277.63)**
Net debt as at 31 March 2020	**2.37**	**-**	**(24,687.00)**	**(4,461.69)**	**(2,131.31)**	**(31,277.63)**
Cash flows	8.35	-	1,027.51	(1,027.50)	-	**8.35**
Interest paid	-	-	-	-	5.58	**5.58**
Interest cost	-	-	-	-	(3,805.27)	**(3,805.27)**
Net debt as at 31 March 2021	**10.72**	**-**	**(23,659.49)**	**(5,489.19)**	**(5,931.00)**	**(35,068.96)**

27 The Company has incurred net loss of ₹ 1,658.00 lakhs during the year ended 31 March 2021 and as at that date, has accumulated losses amounting to ₹ 2,988.49 lakhs which has resulted in complete erosion of its net-worth and its current liabilities exceeded its current assets by ₹ ₹ 27,116.85 lakhs. The Company is in the process of formulating a new business plan and presently carrying out feasibility studies and intends to launch its business operations once the plan gets crystalized going forward. Basis this in the interim period, the management believes that going concern of the Company is appropriate and considering the continuous financial support from the holding company including an escrow arrangement entered by group company pursuant to which certain proportion of amount arising from specified liquidity events shall be remitted to bank to repay borrowings, management have prepared the financial statements on a 'Going Concern' basis.

28 The Company's non-current investments as at 31 March 2021 include investment aggregating ₹ 5.00 lakhs (31 March 2020: ₹ 5.00 lakhs) in its subsidiary, other non-current financial assets and other current financial assets which include receivables from such subsidiary aggregating ₹ 24,165.23 lakhs (31 March 2020: ₹ 24,165.23 lakhs) and ₹ 8,302.05 lakhs (31 March 2020: ₹ 5,886.12 lakhs), respectively, being considered good and recoverable by the management. The holding company, HCC Infrastructure Company Limited (HICL), is holding 85.45% in HCC Concessions Limited (HCON) having various Build, Operate and Transfer (BOT) SPVs under its fold. The BOT SPV's have entered into settlement arrangement with NHAI in March 2021 in relation to awards mainly in respect of cost- overrun arising due to NHAI caused delays, termination of contracts and change in scope of work. Pursuant to such settlement arrangement, these BOT SPVs shall be receiving reasonable amount of consideration from NHAI, which in turn would result in cash inflow for HICL in future for its exposure towards HCON. Based on the expected recoverability of the inter corporate deposits given to its subsidiary company which in the turn depends on the recoverability of the inter corporate deposits given by the subsidiary company to HICL, the Company's management believes that there is no decline in the carrying amounts of such non-current investments and the receivables are also fully recoverable.

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29 Company has opted not to prepare consolidated financial statements based on exemption available under Rule 6 of Companies (Accounts) Rules, 2014 (as amended) read with Section 129(3) of Companies Act, 2013.

30 The Company is principally engaged in a single business segment viz. "power generation". The Company is primarily operating in India which is considered to be as a single geographical segment.

31 Recent accounting update
On 24 March 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

32 The provisions of Section 45 – IA of the Reserve Bank of India Act, 1934 requires the Company to register itself as a Non-Banking Financial Company ('NBFC") with the Reserve Bank of India. The management believes that the Company is not engaged in financial activities and has given a loan to its subsidiary to support its business activities, hence as per the management, the aforementioned provisions are not applicable to the Company. Hence, the requirements of preparation and presentation of the financial statements as applicable to the NBFCs as required under Division III of Schedule III of the Act and other compliance requirements under the RBI Act have also not been followed by the Company based on the contention of it not being engaged in financial activities

33 In January 2020, the World Health Organization has declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern", which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. There will be no impact of COVID-19 on the business operations of the Company, as the Company is still in the business development phase and is planning to perform feasibility studies for formulating new business plan. Consequently, there will be no impact on financial position and cash flows in the financial year ended 31 March 2021.

The accompanying notes forms an integral part of the financial statements.

This is a summary of significant accounting policies and other explanatory information referred to in our audit report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N / N500013

Vijay D. Jain

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 21 June 2021

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Shekhar Mordekar
Director
DIN No : 08941107

Place: Mumbai
Date: 21 June 2021

Firoz Deboo

Firoz Deboo
Director
DIN No : 08940953

FD

HCC Power Ltd.