

## REVISED INDEPENDENT AUDITOR'S REPORT

[This Revised Independent Auditor's Report is being issued in compliance to the reply made to the observations raised by the Office of the Director General of Audit (Energy), Comptroller and Audit General of India during its Supplementary Audit under Section 143(6)(a) of the Companies Act, 2013. Accordingly, Para 2 and Para 3(d) under Report on Other Legal and Regulatory Requirements in the Independent Auditor's Report, S No. 2 and S No. 3 under Particulars of Annexure B to the Independent Auditor's Report and cross-reference explanation under Annexure C to the Independent Auditor's Report have been suitably rectified for proper disclosure. All such changes don't have any impact on our Audit Opinion or otherwise as compared to our earlier report dated 26.11.2021 and revised report dated 30.12.2021 issued on the Standalone Financial Statements of the Company for the Financial Year ended 31.03.2021]

## TO THE MEMBERS OF DEOGHAR MEGA POWER LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of **M/s. Deoghar Mega Power Limited**. ("the company"), which comprises of the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), and the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit, changes in equity and its cash flows for the year ended on that date

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the *Auditors Responsibilities for the audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe



that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rule 2015 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

1. 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 omission, misrepresentation, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such control.
  3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  4. 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 going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor 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.
  5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, in the "Annexure B" on the directions and sub-directions issued by Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.



- c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion and to the best of our information and explanation given to us, the Indian AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule, as amended.
- e) Being a Government Company, Pursuant to Notification no. G.S.R. 463(E) dated 05.06.2015 issued by the Government of India, provision of Section 164(2) of the Act, regarding disqualification of director is not applicable to the company.
- f) With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C", and
- g) Being a Government Company, Pursuant to notification no. G.S.R. 463(E) dated 05.06.2015 issued by the Government of India, provision of Section 197(16) of the Act, regarding managerial remuneration is not applicable to the company.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- There were no legal cases pending against the company.
  - The Company did not have any long-term contract including derivative Contracts, for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place of Signature: New Delhi

Date: 18/01/2022

For S. BAJAJ & ASSOCIATES,  
Chartered Accountants  
FRN-004649N



(SANJEEV BAJAJ)  
Partner

M.No. 083848

UDIN: 22083848AAAAAD7726

SANJEEV BAJAJ  
M.No.:083848  
FRN:04649N

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT OF  
DEOGHAR MEGA POWER LTD.**

**(Referred to paragraph 1 under 'Report on Other Legal and Regulatory Requirements'  
section of our report of even date on the accounts of Deoghar Mega Power Limited  
("the Company") for the year ended March 31, 2021)**

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

- (i) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

As explained to us, all the fixed assets have been physically verified by the management in a phased & reasonable manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We have been explained that no material discrepancies were noticed on such verification as compared to the book records.

- (ii) The Company does not hold any inventory: hence clause (ii) of paragraph 3 of the Order is not applicable.
- (iii) The Company has not granted any loan, secured or unsecured, to any company, firm or other party covered in the register maintained under sec 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us; the Company has not given any loan, guarantee or security to and on behalf of any of its Directors as stipulated under section 185 of the Act and the Company has complied with the provisions of section 186 of the Act, with respect to the loan made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. Hence, the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013, and the rules framed thereunder are not applicable.
- (vi) According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, for any of the activities of the Company.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax/GST, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with appropriate authorities. According to the information and



explanations given to us, there are no undisputed statutory dues outstanding as at 31<sup>st</sup> March, 2021 for a period of more than six months from the date they became payable.

- (b) According to information and explanations given to us, there are no disputed statutory due payable in respect of income tax or service tax or duty of customs, duty of excise or value added tax which are outstanding as at 31<sup>st</sup> March, 2021.
- (viii) According to the information and explanations given to us, the company has not taken any loan from any financial institution or bank or debenture holder, hence clause (vii) of paragraph 3 of the Order is not applicable.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year, hence clause (ix) of paragraph 3 of the Order is not applicable.
- (x) Based upon the audit procedure performed and information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under audit.
- (xi) Being a Government Company, pursuant to notification no. G.S.R. 463(E) dated 05.06.2015 issued by the Government of India, provisions of Sec 197 read with Schedule V of the Act, regarding managerial remuneration are not applicable to the company, hence clause (xi) of paragraph 3 of the Order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transaction with the related parties have been entered into by the company in its ordinary course of business on an arm's length basis and therefore the provisions of section 177 and 188 of the Act are not applicable to the company. However, the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore provisions of clause (xv) of paragraph 3 of the Order are not applicable.



(xvi) In our opinion and according to the information and explanation given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**Place of Signature: New Delhi**

**Date:** 18/01/2022

For **S. BAJAJ & ASSOCIATES,**  
**Chartered Accountants**  
**FRN-004649N**



*(Handwritten signature)*  
**(SANJEEV BAJAJ)**  
**Partner**

**M.No. 083848**

UDIN: 22083848AAAAAD7726

**SANJEEV BAJAJ**

**M.No.:083848**

**FRN:04649N**

**ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT OF  
DEOGHAR MEGA POWER LIMITED**

The Annexure referred to in our report to the members of Deoghar Mega Power Limited ('the Company') for the year ended 31<sup>st</sup> March, 2021.

**Replies to the Directions issued by Comptroller & Auditor General of India to the Statutory Auditors under Section 143(5) of the Companies Act, 2013 for the year ended 31<sup>st</sup> March, 2021**

<b>S.No</b>	<b>Particulars</b>	<b>Reply</b>
1.	Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has system in place to process all the accounting transactions through IT system i.e Oracle. In our opinion and to the best of our information and according to the explanations given to us, the company has adequate control system verify the correctness of the entries posted in Oracle.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of Lender Company).	There are no cases of waiver/write off of debts/loans/ interest etc., hence this clause is not applicable.
3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/state Government or its agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.	There are no funds received/receivable for specific schemes from Central/ state agencies, hence this clause is not applicable.





## **ANNEXURE “C” TO THE INDEPENDENT AUDITORS’ REPORT**

**(Referred to paragraph 3(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

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

1. We have audited the internal financial controls over Financial reporting of Deoghar Mega Power Limited (“the Company”) as of 31<sup>st</sup> March, 2021 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date

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

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

#### **Auditors’ Responsibility**

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over financial reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statement 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 system over financial reporting with reference to financial statement and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls with reference to financial statement, 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 on 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 audit opinion on the Company's internal financial controls system with reference to financial statement.

#### **Meaning of Internal Financial Controls over financial reporting with reference to financial statement**

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

#### **Inherent Limitations of Internal Financial Controls over financial reporting with reference to financial statement**

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

#### **Opinion**

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to financial statement and such internal financial controls over financial reporting with reference to financial statement were operating effectively as at March 31, 2021, based on the internal control over financial reporting with reference to financial statement 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 with reference to financial statement issued by the Institute of Chartered Accountants of India.

For **S. BAJAJ & ASSOCIATES,**  
**Chartered Accountants**



FRN-004649N

Place of Signature: New Delhi

Date: 18/01/2022

*(Signature)*  
**(SANJEEV BAJAJ)**

Partner

M.No. 083848

UDIN: 22083848AAAAAD7726

SANJEEV BAJAJ

M.No.:083848

FRN:04649N

DEOGHAR MEGA POWER LIMITED  
(CIN:U40300DL2012GOI234839)

Balance Sheet as at March 31, 2021


(₹ in Hundreds)

	Particulars	Note No.	(₹ in Hundreds)	
			As at March 31, 2021	As at March 31, 2020
(I)	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	(a) Property, plant and equipment	4	77.20	77.20
	(b) Capital work in progress	5	2,258,007.10	2,173,657.68
	(c) Financial assets			
	(i) Loans	6	567,125.89	552,463.30
	<b>Total non-current assets</b>		<b>2,825,210.19</b>	<b>2,726,198.18</b>
(2)	<b>Current assets</b>			
	(a) Financial assets			
	(i) Cash and cash equivalents	7	1,568.39	150.89
	(b) Current tax assets (Net)	8	1,958.61	2,060.19
	(c) Other current assets	9	7,950.00	7,950.00
	<b>Total current assets</b>		<b>11,477.00</b>	<b>10,161.08</b>
	<b>Total assets</b>		<b>2,836,687.19</b>	<b>2,736,359.26</b>
(II)	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>EQUITY</b>			
	(a) Equity share capital	10	5,000.00	5,000.00
	(b) Other equity	11	(331.97)	(390.56)
	<b>Total equity</b>		<b>4,668.03</b>	<b>4,609.44</b>
(2)	<b>LIABILITIES</b>			
(A)	<b>Non - Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	12	2,311,721.11	2,242,727.35
	<b>Total Non - Current Liabilities</b>		<b>2,311,721.11</b>	<b>2,242,727.35</b>
(B)	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Other financial liabilities	13	516,869.72	485,505.68
	(b) Other current liabilities	14	3,428.33	3,516.78
	<b>Total current liabilities</b>		<b>520,298.05</b>	<b>489,022.46</b>
	<b>Total equity and liabilities</b>		<b>2,836,687.19</b>	<b>2,736,359.26</b>

Significant Accounting Policies and notes to the  
Financial Statements

1-38

For and on behalf of Board of Directors

  
(P.C. Hembram)  
Director  
DIN:02750881

  
(Amarjit Singh Nanda)  
Director  
DIN:07347825

  
(Parminder Chopra)  
Chairperson  
DIN:08530587

As per our report of even date  
For & on behalf of  
S. Bajaj & Associates  
(Chartered Accountants)  
(Firm Reg No. : 04649N)

  
(Sanjeev Bajaj)  
Partner

M. No. : 083848

Place : New Delhi

Date : 26/11/2021

UDIN:-21083848AAAAB51105







DEOGHAR MEGA POWER LIMITED  
(CIN:U40300DL2012GOI234839)

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


(₹ in Hundreds)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations		-	-
Other income	15	78.29	-
<b>Total income (I)</b>		<b>78.29</b>	-
<b>Expenses</b>			
Other expenses		-	-
<b>Total expenses (II)</b>		<b>-</b>	-
<b>Profit before tax (I - II = III)</b>		<b>78.29</b>	-
Tax expense: (IV)			
Current tax	17	19.71	-
Deferred tax		-	-
<b>Net Profit after tax (III - IV = V)</b>		<b>58.58</b>	-
<b>Other Comprehensive Income (VI)</b>		-	-
<b>Total Comprehensive Income for the year (V + VI =VII)</b>		<b>58.58</b>	-
Earnings per equity share : (VIII)			
Basic & Diluted (Par value of Rs.10 each)	18	0.00	-

Significant Accounting Policies and notes to the Financial Statements

1-38

For and on behalf of Board of Directors

  
(P.C. Hembram)  
Director  
DIN:02750881


  
(Amarjit Singh Nanda)  
Director  
DIN:07347825

  
(Parminder Chopra)  
Chairperson  
DIN:08530587

As per our report of even date

For & on behalf of  
S. Bajaj & Associates  
(Chartered Accountants)  
(Firm Reg No. : 04649N)



  
(Sanjeev Bajaj)  
Partner  
M. No. : 083848

Place : New Delhi

Date : 26/11/2021

UDIN:-21083848AAAA351105





**DEOGHAR MEGA POWER LIMITED**  
(CIN:U40300DL2012GOI234839)

**Statement of Cash Flows for the year ended March 31, 2021**

(₹ in Hundreds)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash flow from operating activities:</b>		
Net profit/(loss) before tax	78.29	-
<b>Adjustments:</b>		
Adjustment	-	-
<b>Operating Profit/(loss) before Working Capital changes</b>	<b>78.29</b>	<b>-</b>
<b>Adjustments for changes in Working Capital :</b>		
- Increase/(decrease) in other current financial liabilities	4,885.01	150,834.41
- Increase/(decrease) in other current liabilities	(88.45)	(21,600.98)
- (Increase)/decrease in other current assets	-	-
<b>Cash generated from operating activities</b>	<b>4,874.85</b>	<b>129,233.43</b>
Income taxes paid (net of refunds)	81.87	(1,304.20)
<b>Net cash from operating activities</b>	<b>4,956.72</b>	<b>127,929.23</b>
<b>B. Cash flow from Investing activities:</b>		
Addition in Capital work in progress	(1,772.48)	(125,751.66)
Repayment/(Addition) in loan given	413.00	(215,675.13)
Interest income	1,222.34	1,304.21
<b>Net cash from Investing activities</b>	<b>(137.14)</b>	<b>(340,122.58)</b>
<b>C. Cash flow from Financing Activities:</b>		
Proceeds from borrowings	-	215,675.13
Interest expense	(3,402.08)	(3,481.78)
<b>Net cash from financing activities</b>	<b>(3,402.08)</b>	<b>212,193.35</b>
<b>Net (Decrease) in cash &amp; cash equivalents</b>	<b>1,417.50</b>	<b>(0.00)</b>
<b>Cash and cash equivalents as at 1st April (Opening Balance)</b>	<b>150.89</b>	<b>150.89</b>
<b>Cash and cash equivalents as at 31st March (Closing Balance) (Note-7)</b>	<b>1,568.39</b>	<b>150.89</b>
<b>Comprising of:</b>		
Balance with banks in current accounts	1,568.39	150.89

Significant Accounting Policies and notes to the Financial Statements

1-38

For and on behalf of Board of Directors

  
(P.C. Hembram)  
Director  
DIN:02750881

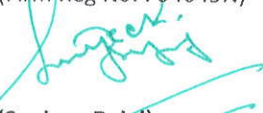
  
(Amarjit Singh Nanda)  
Director  
DIN:07347825

  
(Parminder Chopra)  
Chairperson  
DIN:08530587

As per our report of even date



For & on behalf of

**S. Bajaj & Associates**  
(Chartered Accountants)  
(Firm Reg No. : 04649N)

  
(Sanjeev Bajaj)  
Partner  
M. No. : 083848  
Place : New Delhi



UDIN:-21083848AAAAB51105

**DEOGHAR MEGA POWER LIMITED**  
(CIN:U40300DL2012GOI234839)

**Statement of Changes in Equity for the year ended March 31, 2021**

**a. Equity share capital**

(₹ in Hundreds)

Particulars	Amount
Balance as at April 01, 2019	5,000.00
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2020</b>	<b>5,000.00</b>
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2021</b>	<b>5,000.00</b>

**b. Other Equity**

(₹ in Hundreds)

Particulars	Amount
<b>Retained earnings</b>	
Balance as at April 01, 2019	(390.56)
Total comprehensive income for the year	-
<b>Balance as at March 31, 2020</b>	<b>(390.56)</b>
Total comprehensive income for the year	58.58
<b>Balance as at March 31, 2021</b>	<b>(331.97)</b>

Significant Accounting Policies and notes to the Financial Statements

1-38

For and on behalf of Board of Directors

  
(P.C. Hembram)  
Director  
DIN:02750881

  
(Amarjit Singh Nanda)  
Director  
DIN:07347825

  
(Parminder Chopra)  
Chairperson  
DIN:08530587

As per our report of even date

For & on behalf of

**S. Bajaj & Associates**  
(Chartered Accountants)  
(Firm Reg No. : 04649N)



  
(Sanjeev Bajaj)

Partner

M. No. : 083848

Place : New Delhi

Date : 26/11/2021

UDIN:-21083848AAAAB351105


**DEOGHAR MEGA POWER LIMITED**  
**(CIN:U40300DL2012GOI234839)**

**Notes to the Financial Statements for the year ended March 31, 2021**

**1 Corporate Information**

Deoghar Mega Power Limited "the Company" was incorporated on April 26, 2012 under the Companies Act, 1956 as a wholly owned subsidiary of Power Finance Corporation Limited (PFCL), a Govt. of India Undertaking. The registered office of the Company is located at First Floor, Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi -110001. The Company is a special purpose vehicle incorporated to facilitate the acquisition of land and complete preliminary works viz statutory clearances including that of environment, forest, etc. for the purpose of establishing Ultra Mega Power Project of 4000 MW in the state of Jharkhand (Project). The site for the project had been identified at Hussainabad, Devipur Division, District Deoghar, as recommended by CEA and "in-principle" approved by Govt. of Jharkhand. Dhulia (North) coal block was identified for the project.

**2 General**

**(a) Basis of Preparation and Statement of Compliance**

These financial statements have been prepared on historical cost and accrual basis of accounting and are in compliance with the Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and applicable provisions of the Companies Act, 2013.

The Company's financial statements are presented in Indian Rupees (INR), which is its functional currency.

Amounts in these financial statements have been rounded off to 'nearest hundreds upto two decimal points (unless otherwise indicated).

**(b) Use of Estimates**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

**3 Significant Accounting Policies**

**(a) Recognition of Income/ Expenditure**

Income and expenses (except as stated below) are accounted for on accrual basis.

**(b) Borrowing Cost**

Borrowing Costs that are attributable to the acquisition, construction of fixed assets which take substantial time to get ready for its intended use are capitalized as part of the cost of such assets to the extent they relate to the period till such assets are ready to be put to use. Other borrowing costs are charged to Statement of Profit and Loss in the year in which they are incurred.

**(c) Capital work-in-progress**

Expenditure incurred during construction period on Survey/ Studies/ Investigation/ Consultancy/ Administration/ Depreciation/Interest etc and other expenditures during construction period is capitalised and treated as Capital-work-in-progress.





**(d) Property, Plant and Equipment**

- i. Items of PPE are initially recognised at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is not depreciated. An item of PPE retired from active use and held for disposal is stated at lower of the book value or net realizable value.
- ii. An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

**(e) Depreciation and amortisation**

Depreciation on items of PPE is provided on Pro-rata basis as per written Down value method considering the useful life and residual value prescribed under the Schedule II of the Companies Act, 2013 or over the shorter useful life as estimated by the Company.

Amortization is done under straight-line method over the useful life of the assets as estimated by the Company.

**(f) Prior Period Expenses**

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

**(g) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits. The Company considers cash equivalents as all short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**(h) Cash Flow Statement**

Cash flow Statement is prepared in accordance with the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated.

**(i) Taxation**

Income Tax expense comprises of current and deferred tax. It is recognised in Statement of Profit and Loss, except when it relates to an item that is recognised in OCI or directly in equity, in which case, tax is also recognised in OCI or directly in equity.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of Previous Years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax is measured at the tax rates based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all parts of the asset to be recovered.



**(j) Provisions, contingent liabilities and contingent assets**

- i. Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- ii. Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.
- iii. Contingent Assets are not recognised in the financial statements but are disclosed, where an inflow of economic benefit is probable.
- iv. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

**(k) Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

On initial recognition, financial assets and financial liabilities are recognised at fair value plus/minus transaction cost that are attributable to the acquisition or issue of financial assets and financial liabilities. In case of financial assets and financial liabilities which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in Statement of Profit and Loss.

**k.1 Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis.

After initial recognition, financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**i) Classification and Measurement of Financial assets (other than Equity instruments)**

**a) Financial assets at Amortised Cost:**

Financial assets that meet the following conditions are subsequently measured at amortised cost using Effective Interest Rate method (EIR):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

**b) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI)**

A financial asset is measured at FVTOCI if both the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

**c) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at FVTPL unless it is measured at amortised cost or FVTOCI, with all changes in fair value recognised in Statement of Profit and Loss.



A handwritten signature in blue ink, appearing to be 'S. S. Eka'.

A second handwritten signature in blue ink, appearing to be 'S. S. Eka'.

ii) **Impairment of financial assets**

a) Subsequent to initial recognition, the Company recognises expected credit loss (ECL) on financial assets measured at amortised cost. ECL on such financial assets, other than loan assets, is measured at an amount equal to life time expected losses.

The impairment requirements for the recognition and measurement of ECL are equally applied to Loan asset at FVTOCI except that ECL is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

b) Impairment of Loan Assets and commitments under Letter of Comfort (LoC):

The Company measures ECL on loan assets at an amount equal to the lifetime ECL if there is credit impairment or there has been significant increase in credit risk (SICR) since initial recognition. If there is no SICR as compared to initial recognition, the Company measures ECL at an amount equal to 12-month ECL. When making the assessment of whether there has been a SICR since initial recognition, the Company considers reasonable and supportable information, that is available without undue cost or effort. If the Company measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement in credit quality, the Company again measures the loss allowance based on 12-month ECL. ECL is measured on individual basis for credit impaired loan assets, and on other loan assets it is generally measured on collective basis using homogenous groups.

c) The impairment losses and reversals are recognised in Statement of Profit and Loss.

iii) **De-recognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

k.2 **Financial liabilities**

i) All financial liabilities other than derivatives and financial guarantee contracts are subsequently measured at amortised cost using the effective interest rate (EIR) method.

EIR is determined at the initial recognition of the financial liability. EIR is subsequently updated for financial liabilities having floating interest rate, at the respective reset date, in accordance with the terms of the respective contract.

ii) De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

(l) **Earnings per share**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.



A handwritten signature in blue ink, appearing to be 'S. Bajaj'.

A second handwritten signature in blue ink, appearing to be 'S. Bajaj'.

**DEOGHAR MEGA POWER LIMITED**

CIN:U40300DL2012GOI234839

**Notes to the Financial Statements for the year ended March 31, 2021**

**4. Property, plant and equipment**

(₹ in Hundreds)

Particulars	Owned	
	Computer & EDP Equipments	Total
<b><u>Cost or deemed cost</u></b>		
Balance as at April 01, 2019	1,544.04	1,544.04
Additions	-	-
Deletions	-	-
<b>Balance as at March 31, 2020</b>	<b>1,544.04</b>	<b>1,544.04</b>
Additions	-	-
Deletions	-	-
<b>Balance as at March 31, 2021</b>	<b>1,544.04</b>	<b>1,544.04</b>
<b><u>Accumulated depreciation</u></b>		
Balance as at April 01, 2019	1,466.84	1,466.84
Additions	-	-
Deletions	-	-
<b>Balance as at March 31, 2020</b>	<b>1,466.84</b>	<b>1,466.84</b>
Additions	-	-
Deletions	-	-
<b>Balance as at March 31, 2021</b>	<b>1,466.84</b>	<b>1,466.84</b>
<b>Carrying amount:</b>		-
As at March 31, 2020	77.20	77.20
As at March 31, 2021	77.20	77.20



*(Handwritten signature in blue ink)*

*(Handwritten signature in blue ink)*

**DEOGHAR MEGA POWER LIMITED**  
(CIN:U40300DL2012GOI234839)

Notes forming part of the financial statements for the year ending March 31, 2021

**5. Capital work in progress**

(₹ in Hundreds)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Capital work in progress	2,173,657.68	1,980,638.59
Add: Transferred from expenditure during construction period (Note-16)	84,349.42	193,019.09
	<b>2,258,007.10</b>	<b>2,173,657.68</b>

**6. Loans (Non current)**

(₹ in Hundreds)

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Unsecured, considered good</u>		
Loans and Advances to related party	468,365.43	468,778.43
Interest accrued but not due	98,760.46	83,684.87
	<b>567,125.89</b>	<b>552,463.30</b>

**7. Cash and cash equivalents**

(₹ in Hundreds)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with Banks: in current accounts	1,568.39	150.89
	<b>1,568.39</b>	<b>150.89</b>

**8. Current Tax Assets (Net)**

(₹ in Hundreds)

Particulars	As at March 31, 2021	As at March 31, 2020
Income Tax Refundable	1,978.32	2,060.19
Less: Provision for Income Tax	19.71	-
	<b>1,958.61</b>	<b>2,060.19</b>

**9. Other current assets**

(₹ in Hundreds)

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Unsecured, considered good</u>		
Advances recoverable in cash or in kind	7,950.00	7,950.00
	<b>7,950.00</b>	<b>7,950.00</b>



*[Handwritten signature]*

*[Handwritten signature]*

**DEOGHAR MEGA POWER LIMITED**  
(CIN:U40300DL2012GOI234839)

Notes forming part of the financial statements for the year ending March 31, 2021

**10. Equity share capital**

(₹ in Hundreds)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised share capital</b>		
50,000 Equity Shares of Rs. 10 each (As at March 31, 2020: 50,000 Equity shares of Rs. 10 each)	5,000.00	5,000.00
<b>Issued, subscribed and paid up capital comprises:</b>		
50,000 Equity Shares of Rs. 10 each fully paid up (As at March 31, 2020: 50,000 Equity Shares of Rs. 10 each fully paid up)	5,000.00	5,000.00
	<b>5,000.00</b>	<b>5,000.00</b>

**(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	Amount	Number of shares held	Amount
Shares outstanding at the beginning of the year	50,000	5,000.00	50,000	5,000.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	5,000.00	50,000	5,000.00

**(ii) Rights, preferences and restriction attached to equity shares:**

The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(iii) Detail of equity shares held by holding company:**

Particulars	No. of Shares	Amount
<b>As at March 31, 2021</b>		
Power Finance Corporation Limited*	50,000	5,000.00
<b>As at March 31, 2020</b>		
Power Finance Corporation Limited*	50,000	5,000.00

**(iv) Details of shares held by each shareholder holding more than 5% shares in the Company:**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	%	Number of shares held	%
<b>Fully paid up equity shares</b>				
Power Finance Corporation Limited, the Holding Company*	50,000	100%	50,000	100%

\* Equity shares are held by Power Finance Corporation Limited and through its nominees.



DEOGHAR MEGA POWER LIMITED  
(CIN:U40300DL2012GOI234839)

Notes forming part of the financial statements for the year ending March 31, 2021

11. Other equity

Particulars	(₹ in Hundreds)	
	As at March 31, 2021	As at March 31, 2020
<b>Retained earnings</b>		
Balance at the beginning of the year	(390.56)	(390.56)
Total comprehensive income for the year	58.58	-
<b>Balance at the end of the year</b>	<b>(331.97)</b>	<b>(390.56)</b>

12. Borrowings (Non Current)

Particulars	(₹ in Hundreds)	
	As at March 31, 2021	As at March 31, 2020
Commitment advance (Unsecured)	1,515,675.13	1,515,675.13
Interest accrued but not due on commitment Advance	353,498.34	338,422.76
(A)	1,869,173.47	1,854,097.89
Interest accrued but not due on borrowings (Related Party)	442,547.64	388,629.46
(B)	442,547.64	388,629.46
<b>(A+B)</b>	<b>2,311,721.11</b>	<b>2,242,727.35</b>

Terms of repayment for borrowings: Repayable within 15 days from the date of transfer of the Company to its successful bidder.

13. Other financial liabilities (Current)

Particulars	(₹ in Hundreds)	
	As at March 31, 2021	As at March 31, 2020
Expenses payable	516,869.72	485,505.68
	516,869.72	485,505.68

14. Other current liabilities

Particulars	(₹ in Hundreds)	
	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	3,428.33	3,516.78
	3,428.33	3,516.78

15. Other Income

Particulars	(₹ in Hundreds)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on Income Tax refund	78.29	-
	78.29	-



*[Handwritten signature]*

*[Handwritten signature]*

16. Expenditure during construction period

(₹ in Hundreds)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Payment to Auditors		
- Audit Fee	413.00	413.00
- Reimbursement of exp.	-	41.30
Printing & Stationery	-	1,482.18
Tour & Travelling Expenses	-	1,165.50
Manpower Charges	-	65,944.64
Outsourcing expenses	1,303.55	15,052.30
Misc. Expenses	-	158.49
Vehicle running expenses	-	2,389.79
Telephone Expenses	-	583.42
Legal, Professional and Consultancy Charges	55.93	13,292.03
Administrative expenses	-	25,229.01
<b>Sub-total (A)</b>	<b>1,772.48</b>	<b>125,751.66</b>
<u>Interest expenses</u>		
Interest on utilised portion	82,981.24	67,988.13
Add: Interest on unutilised portion	16,297.93	13,042.13
Less: Interest receivable from PFC on unutilised portion	(16,297.93)	(13,042.13)
<b>Sub-total (B)</b>	<b>82,981.24</b>	<b>67,988.13</b>
<b>Total (A+B)</b>	<b>84,753.72</b>	<b>193,739.79</b>
Less: Provisions written back	404.30	720.70
<b>Total</b>	<b>84,349.42</b>	<b>193,019.09</b>

17. Income Taxes

(₹ in Hundreds)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Current tax</b>		
In respect of the current year	19.71	-
<b>Deferred tax</b>		
In respect of the current year	-	-
<b>Total income tax expense recognised in the current year</b>	<b>19.71</b>	<b>-</b>
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	78.29	-
Applicable tax rate	25.17%	25.17%
Computed tax expenses	19.71	-
Income tax expense recognised in profit or loss	<b>19.71</b>	<b>-</b>

18. Earnings per share

(₹ in Hundreds)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Basic and diluted Earning Per Share</b>		
Face value per Equity Share	10	10
Net Profit / (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	58.58	-
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	50,000	50,000
<b>Basic and diluted Earning Per Share</b>	<b>0.00</b>	<b>-</b>
There are no dilutive instruments issued by the company.		



*[Handwritten signature]*

*[Handwritten signature]*



**DEOGHAR MEGA POWER LIMITED**  
(CIN:U40300DL2012GOI234839)

Notes forming part of the financial statements for the year ending March 31, 2021

**19. Financial Instruments**

**(1) Capital management**

The company manages its capital to ensure that it will be able to meet capital requirement related to acquisition of land and expenses related to preliminary work regarding statutory clearances including that of environment, forest etc. for the purpose of establishing Ultra Mega Power Project of 4000 MW in state of Jharkhand Project. Company funds its operations through amount received as commitment advance.

The entity is not subject to any externally imposed capital requirements.

The Company's board reviews the capital structure on need basis. The funding requirements are met through a mixture of borrowings and advances. The Company's policy is to use short term and long-term borrowings to meet anticipated funding requirements.

**(i) Categories of financial instruments**

Particulars	(₹ in Hundreds)	
	As at March 31, 2021	As at March 31, 2020
<b>Financial assets</b>		
Cash and cash equivalents	1,568.39	150.89
Loans	567,125.89	552,463.30
<b>Financial liabilities</b>		
Borrowings	2,311,721.11	2,242,727.35
Other financial liabilities	516,869.72	485,505.68

**(ii) Financial risk management objectives**

The Company's corporate treasury function monitors and manages the financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest risk and other price risk), credit risk and liquidity risk.

**(iii) Market Risk**

The Company's activities expose it primarily to the financial risks of changes in interest rates (see note v below).

Market risk exposures are measured using sensitivity analysis.

There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

**(iv) Foreign Currency risk management**

The company does not have transactions denominated in foreign currencies.

**(v) Interest rate risk management**

The Company is exposed to interest rate risk because it borrow funds at the rate of interest under category of " State Sector Borrowers (Category 'A') as determined from time to time (fluctuating rate of interest) .

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

**Interest rate sensitivity analysis**

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. 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	(₹ in Hundreds)	
	Year ended March 31, 2021	Year ended March 31, 2020
Impact for Profit or Loss	-	-
Impact for Other comprehensive income	-	-

**(vi) Other price risks**

The company is not exposed to price risk as its does not hold any investments .

**(vii) Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company has limited exposure to credit risk owing to the balance of loan receivable from PFC as mentioned in Note 6. Company does not have trade receivable. Further the loan receivable is from its Holding company (PFC).

Company's bank balances are held with a reputed and creditworthy banking institution resulting to limited credit risk from the counterparties.



*(Handwritten signatures in blue ink)*

**DEOGHAR MEGA POWER LIMITED**  
(CIN:U40300DL2012GOI234839)

Notes forming part of the financial statements for the year ending March 31, 2021

**19. Financial Instruments**

**(viii) Liquidity risk management**

The Company manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including as at March 31, 2021;

(₹ in Hundreds)						
Particulars	Carrying amount	Due in 1st year	Due in 2-5 year	Due in More than 5 year	Due date not specified	Total contracted cash flows
<b>Financial Liabilities</b>						
Borrowings	2,311,721.11	-	-	-	2,311,721.11	2,311,721.11
Other financial liabilities	516,869.72	516,869.72	-	-	-	516,869.72

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2020;

(₹ in Hundreds)						
Particulars	Carrying amount	Due in 1st year	Due in 2-5 year	Due in More than 5 year	Due date not specified	Total contracted cash flows
<b>Financial Liabilities</b>						
Borrowings	2,242,727.35	-	-	-	2,242,727.35	2,242,727.35
Other financial liabilities	485,505.68	485,505.68	-	-	-	485,505.68

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at March 31, 2021:

(₹ in Hundreds)						
Particulars	Carrying amount	Due in 1st year	Due in 2-5 year	Due in More than 5 year	Due date not specified	Total contracted cash flows
Loans	567,125.89	-	-	-	567,125.89	567,125.89

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at March 31, 2020:

(₹ in Hundreds)						
Particulars	Carrying amount	Due in 1st year	Due in 2-5 year	Due in More than 5 year	Due date not specified	Total contracted cash flows
Loans	552,463.30	-	-	-	552,463.30	552,463.30

**(ix) Fair value of financial assets and financial liabilities:**

Particulars	Fair value hierarchy	As at March 31, 2021		As at March 31, 2020	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>					
Cash and cash equivalents	Level 3	1,568.39	1,568.39	150.89	150.89
Loans	Level 3	567,125.89	567,125.89	552,463.30	552,463.30
<b>Financial Liabilities</b>					
Borrowings	Level 3	2,311,721.11	2,311,721.11	2,242,727.35	2,242,727.35
Other financial liabilities	Level 3	516,869.72	516,869.72	485,505.68	485,505.68

The fair value of financial assets and liabilities approximate with the carrying amount recognized in the financial statements. There was no transfer between Level 1, Level 2 and Level 3 in the year. The carrying amount of financial assets and financial liabilities measured at amortised cost in the Ind AS financial statements are a reasonable approximation of their fair value since the Company does not anticipate that carrying value would be significantly different from the values that would eventually be received or settled.



*[Handwritten signature]*

*[Handwritten signature]*

**DEOGHAR MEGA POWER LIMITED**  
(CIN:U40300DL2012GOI234839)

Notes forming part of the financial statements for the year ending March 31, 2021

**20 STATEMENT OF TRANSACTIONS WITH RELATED PARTIES**

**20.1 Name of related parties and description of relationship:**

<b>Holding Company</b>			
1	Power Finance Corporation Limited (PFCL)		
<b>Fellow Subsidiary</b>			
1	PFC Consulting Limited	2	REC Limited (RECL)
3	REC Power Distribution Company Ltd (through RECL)	4	REC Transmission Projects Company Limited
5	Power Equity Capital Advisors (Pvt) Limited (PECAP)*		
<b>Associate of Fellow Subsidiary (PFCL)</b>			
1	Tanda Transmission Company Limited*	2	Shongtong Karcham-Wangtoo Transmission Limited*
3	Bijawar-Vidarbha Transmission Limited	4	Koppal-Narendra Transmission Limited
5	Karur Transmission Limited	6	Khetri-Narela Transmission Limited
7	Sikar-II Aligarh Transmission Limited	8	Bhadla Sikar Transmission Limited
9	Ananthpuram Kurnool Transmission Limited	10	Vapi II North Lakhimpur Transmission Limited transferred to ATL on 23rd June, 2020
11	Bikaner-II Bhiwadi Transco Limited transferred to PGCIL on 25th March, 2021		
<b>Associate of PFCL</b>			
1	Coastal Maharashtra Mega Power Limited *	2	Sakhigopal Integrated Power Company Limited
3	Ghogarpalli Integrated Power Company Limited	4	Coastal Karnataka Power Limited *
5	Coastal Tamil Nadu Power Limited	6	Chhattisgarh Surguja Power Limited *
7	Tatiya Andhra Mega Power Limited *	8	Orissa Integrated Mega Power Limited
9	Deoghar Infra Limited	10	Cheyur Infra Limited
11	Bihar Infrapower Limited	12	Odisha Infrapower Limited
13	Jharkhand Infrapower Limited	14	Bihar Mega Power Limited
<b>Associate of RECL</b>			
1	Mandar Transmission Limited	2	Chandil Transmission Limited
3	Koderma Transmission Limited	4	Dumka Transmission Limited
5	Dinching Transmission Limited	6	Rangarh New Transmission Limited transferred to PGCIL on 09th March, 2021
7	Sikar New Transmission Limited	8	MP Power Transmission Package-I Limited
9	MP Power Transmission Package-II Limited	10	Kallam Transmission Limited
11	Gadag Transmission Limited	12	Fatehgarh Badla Transco Limited
13	Rajgarh Transmission Limited	14	Bidar Transmission Limited
<b>Joint Venture</b>			
1	Energy Efficiency Services Limited (through PFCL)	2	Creighton Energy Limited (through EESL)
3	EESL EnergyPro Assets Limited (through EESL)	4	Edina Acquisition Limited (through EESL)
5	Anesco Energy Services (South) Limited (through EESL)	6	Edina Limited (through EESL)
7	EPAL Holdings Limited (through EESL)	8	Edina Australia Pty Limited (through EESL)
9	Edina Power Services Limited (through EESL)	10	Stanbeck Limited (through EESL)
11	Edina UK Limited (through EESL)	12	Edina Power Limited (through EESL)
13	Armoura Holdings Limited (through EESL)	14	Edina Manufacturing Limited (through EESL)
15	EPSL Trigenation Private Limited (through EESL)	16	Convergence Energy Services Limited (through EESL)



*[Handwritten signature]*

*[Handwritten signature]*

Key Managerial Persons (KMP)**				
S. No.	Name	Designation	Date of Appointment	Date of Cessation
1	Smt. Parminder Chopra	Chairperson	01.07.2020	Continuing
2	Shri N.B. Gupta	Chairman	26.04.2012	30.06.2020
3	Shri Kamlesh Kumar Jangid***	Nominee Director	05.12.2016	Continuing
4	Shri A.S. Nanda	Director	16.10.2017	Continuing
5	Shri P.C. Hembram	Director	16.10.2017	Continuing

\* Under process of striking off

\*\* Employee of the Holding Company (PFC) and deployed on Part Time basis

\*\*\* from Power Procuring States

## 20.2 Details of Transactions:

### 20.2.1 Transactions with Related Party:

(₹ in Hundreds)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<u>Power Finance Corporation, Holding Company</u>		
Interest Expense	53,918.18	46,212.45
Addition/(Repayment) of loan given	413.00	(215,675.13)
Interest income	16,297.93	13,042.13
<u>PFC Consulting Limited, Fellow Subsidiary</u>		
Manpower Charges	-	65,944.64
Interest expenses	29,063.06	21,775.68
Reimbursement of expenses	955.18	58,632.02

### 20.2.2 Outstanding balances with Related Party:

(₹ in Hundreds)

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Power Finance Corporation, Holding Company</u>		
Interest payable/accrued but not due on borrowings	442,547.64	388,629.46
Loans given	468,365.43	468,778.43
Interest accrued on loan given	98,760.46	83,684.87
<u>PFC Consulting Limited, Fellow Subsidiary</u>		
Expenses Payable	516,482.97	485,127.68

### 20.3 Compensation of Key Management Personnel:

The employees in the company are on contractual terms as per agreement entered with the Holding Company (PFC). No sitting fees has been paid to the directors.

20.4 All the work for the Company are executed by PFC Consulting Ltd (PFCL). Manpower Charges of Rs. NIL (Previous year Rs. 65,944.64 Hundreds) of PFCL employees is charged by PFCL on cost to company basis/rate, as determined by the PFCL in proportion to the actual man days spent by the employees for the company as per invoice raised by PFCL and include Rs. NIL (Previous year Rs. 18,635.75 Hundreds) of Sh. P. C. Hembram (Director).



*[Handwritten signature]*

*[Handwritten signature]*

DEOGHAR MEGA POWER LIMITED  
(CIN:U40300DL2012GOI234839)

Notes forming part of the financial statements for the year ending March 31, 2021

- 21 Pursuant to decision of Ministry of Power, Government of India, the Company is to receive Commitment Advance of Rs. 40,00,000.00 Hundreds (Previous year Rs. 40,00,000.00 Hundreds) from the Power Procuring Utilities (Procurers), as their contribution against allotment of specified quota of power to be made on completion of the project by way of a Power Purchase Agreement with respective Procurers and successful bidder. The company has received Commitment advance of Rs. 13,00,000.00 Hundreds (Previous year Rs. 13,00,000.00 Hundreds) from procurers. Further, in view of the Note No. UMPP/2019-20/01 dated 24.02.2020 regarding the adjustment of commitment advance in other UMPP companies, during the financial year 2019-20 an amount of Rs.2,15,675.13 Hundreds have been credited in procurers account viz. Haryana Rs. 56,955.20 hundreds and Jharkhand Rs. 1,58,719.93 hundreds and therefore balance of commitment advance as on balance sheet date is Rs. 15,15,675.13 Hundreds (Previous year Rs. 15,15,675.13 Hundreds). The said Commitment Advance has been shown in the Balance Sheet as Long term borrowings. The Company is under no obligation to pay interest on such advances, in view of the para no. 12 of minutes of meeting of Ministry of Power regarding development of UMPP which states that; "Procurers would provide the Commitment Advance for temporary infusion as equity in the SPV to enable it to leverage these funds to borrow. However, as a prudent accounting policy and as per the decision taken by the company/holding company, interest has been provided on the said Commitment Advance as stated in note 23 below. The said Commitment Advance along with accrued interest as per terms of Financing agreement shall be repayable to the procurers within 15 days from the date of transfer of the company by the Holding Company to its successful bidder.
- 22 Pursuant to the Financing Agreement with PFC Ltd. total commitment advance of Rs. 15,15,675.13 Hundreds (Previous year Rs. 15,15,675.13 Hundreds) received from procurers is parked with the Holding Company (PFC Ltd.) to pay out expenditures for the project on behalf of the company and to invest/ retain remaining unutilized portion of of commitment advance as loans and advances and interest due thereon is appearing under the head "Loans" under Financial assets in the Balance Sheet.
- 23 The Company pays interest to PFC Ltd. on the expenses incurred by them on behalf of the company from their funds and also to the Procurers on commitment advance bifurcating into fund utilized for the project and funds unutilized at rates as per the policy of the Holding Company/Company. Interest on unutilized portion of commitment advance is receivable from PFC Ltd. and the same is payable to procurers on back to back basis. Interest on utilized portion of commitment advance is recoverable from selected bidder and same is payable to procurers on back to back basis, which was being provided on accrual basis upto financial year 2018-19, however it has been decided by the company during financial year 2019-20 that interest on utilised portion of commitment advance will not be provided and it will be reviewed at the time of transfer of company to successful bidder and if deemed appropriate, the same will be calculated and recovered from the bidder forthwith. The rate of interest charged / paid on the utilized amount of funds is as per PFC Ltd i.e. rate of interest for the Project Loan/Schemes (Generation) for Borrowers under category "State Sector Borrowers (Category 'A') as determined from time to time as per their circular and on unutilized portion of funds, the interest received/paid is on "monthly average short term deposit rate of PFC Ltd".
- 24 The Company has agreed to pay a sum of Rs. 50,00,000.00 Hundreds plus applicable taxes to PFCCCL on account of fees for providing advisory & professional services rendered by PFCCCL. The fees for providing advisory & professional services is payable to PFCCCL only when successful bidder for the Project will be selected and company will be transferred to successful bidder therefore no liability has been provided for fees payable to PFCCCL since the same will be charged in the year of transfer of the company to successful bidder only in the event of transfer of the company.
- 25 As per the scheme of setting up of the project, entire expenditure to be incurred by the company for project exploration and initial development work, including interest on funds deployed and Professional Fee of Rs. 50,00,000.00 Hundreds plus applicable taxes will be recovered from the successful bidder of the project as acquisition price for purchase of 100% equity shareholding of the company from its holding company, consequent upon which the company along with all its assets and liabilities shall stand transferred to such bidder.
- 26 The expenses appearing as Other expenses (Note 16) are mainly allocated by PFCL/PFCCCL to the company. Direct expenditures related to SPV are allocated on 100% basis and common expenditure are allocated based on sharing of services between various SPVs. Original Supporting bills in respect of such expenditure incurred by the PFCL/PFCCCL are in the name of PFCL/PFCCCL and retained by them of which copies are available with the Company. PFCL/PFCCCL is complying with all statutory provisions relating to the 'Deduction of tax at source and Service tax etc. as applicable to these expenses.
- 27 Other expenses incurred during the year (Note 16) have been capitalised and shown as Capital work-in-progress.
- 28 During the preceding financial year 2019-20, the commitment advance of Rs.2,15,675.13 Hundreds as referred in Note 21 above was adjusted against interest accrued but not due on borrowings (Note 12) instead of Loans and Advances to related party (Note 6) and the same has been restated during the financial year by making addition of Rs.2,15,675.13 hundreds in both assets and liabilities and therefore the loans and advances in Note 6 has been restated to be Rs.4,68,778.43 hundreds from Rs.2,53,103.30 hundreds and Interest accrued but not due on borrowings PFC (Note 12) has been restated to be Rs.3,88,629.46 hundreds from Rs.1,72,954.33 hundreds.
- 29 **Employee benefit plans**  
Since there are no employees in the company, the obligation as per Ind AS- 19 do not arises.



*[Handwritten signature]*  
*[Handwritten signature]*

**DEOGHAR MEGA POWER LIMITED**  
(CIN:U40300DL2012GOI234839)

Notes forming part of the financial statements for the year ending March 31, 2021

**30 Commitments:** (₹ in Hundreds)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Estimated amounts of contracts remaining to be executed on capital account, and not provided for (net of advances):	133,989.30	133,989.30
Other commitments	-	-

**31 Contingent Liabilities and Contingent assets** (₹ in Hundreds)

Particulars	As at March 31, 2021	As at March 31, 2020
Contingent liabilities of the company and claims against the company not acknowledged by the company as certified by the management for the period (interest on utilised portion of commitment advance not provided for, note 23)	251,370.54	127,198.01
Further, No contingent assets and contingent gains are probable to the company.	-	-

**32** The Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), based on the information available with the Company:

(₹ in Hundreds)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting period	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act 2006	-	-
(d) the amount of interest accrued and remaining unpaid at the end of accounting period	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act 2006	-	-

**33 Auditors Remuneration** (₹ in Hundreds)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Statutory Audit Fees (including GST)	413.00	413.00
Reimbursement of expenses	-	41.30
<b>Total</b>	<b>413.00</b>	<b>454.30</b>

**34 Segment Information**

The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company. The Company is mainly incorporated with the objects of generation of power and presently engaged in setting up of power plant and all activities of the Company revolve around this main business as a single unit. Further there are no geographical segments as all the operations of the Company are in India. Therefore, there is no separate reportable segment for the Company as per the requirement of Ind AS 108 "Operating Segments".



Two handwritten signatures in blue ink are present below the stamp.

DEOGHAR MEGA POWER LIMITED

(CIN:U40300DL2012GOI234839)

Notes forming part of the financial statements for the year ending March 31, 2021

35 Impact of COVID-19 Global Pandemic outbreak

The world is facing unprecedented situation in all facets of business and economy with the COVID-19 pandemic. However in view of the management, there will not be any adverse or material impact on the project being undertaken by the company and/or carrying value of its assets. The management also do not estimate and perceive any impact on going concern continuity of the business operations of the company due to COVID-19 pandemic.

36 Other Disclosures:

- (a) Expenditure in foreign currency- NIL  
(b) Income in foreign exchange- NIL

37 Figures of the previous year have been regrouped/ rearranged wherever necessary, in order to make them comparable with current year classification.

38 Approval of financial statements

The Financial Statements for the year ended 31st March 2021 were approved by the Board of Directors and authorised for issue on 27.10.2021

For and on behalf of Board of Directors


  
(P.C. Hembram)  
Director  
DIN:02750881

  
(Amarjit Singh Nanda)  
Director  
DIN:07347825

  
(Parminder Chopra)  
Chairperson  
DIN:08530587

As per our report of even date  
For & on behalf of  
S. Bajaj & Associates  
(Chartered Accountants)  
(Firm Reg No. : 04649N)



  
(Sanjeev Bajaj)  
Partner

M. No. : 083848

Place : New Delhi

Date : 26/11/2021

UDFN:-21083848AAAAB51105



