

# **COASTAL KARNATAKA POWER LIMITED**

**(A Wholly Owned Subsidiary of Power Finance Corporation Limited)**

## **12<sup>TH</sup> ANNUAL REPORT**

**(2017-18)**

# CONTENTS

|   |   |       |
|---|---|-------|
| ❖ | Corporate Information                             | 1     |
| ❖ | Notice of 12 <sup>th</sup> Annual General Meeting | 2-6   |
| ❖ | Board's Report                                    | 7-22  |
| ❖ | Independent Auditor's Report                      | 23-32 |
| ❖ | Financial Statements                              | 33-43 |

## **CORPORATE INFORMATION**

|                              |  |
|------------------------------|--|
| <i>CIN</i>                   | <i>U40102DL2006GOI146109</i>   |
| <i>Date of Incorporation</i> | <i>10<sup>th</sup> February, 2006</i>  |
| <i>Share Capital</i>         | <i>Authorized Capital – INR 5,00,000</i><br><i>Paid Up Capital – INR 5,00,000</i>                                    |
| <i>Registered Office</i>     | <i>First Floor, Urjanidhi,1- Barakhamba Lane,<br/>Connaught Place, New Delhi- 110001.</i>                            |
| <i>Board of Directors</i>    | <i>1. Shri P.K. Singh : Chairman</i><br><i>2. Shri Alok Sud : Director</i><br><i>3. Shri P.C. Hembram : Director</i> |
| <i>Statutory Auditor</i>     | <i>M/s. Saluja &amp; Associates, Chartered Accountants</i>   |

# COASTAL KARNATAKA POWER LIMITED

(A wholly owned subsidiary of Power Finance Corporation Limited)

Regd. Office: First Floor, Urjanidhi, 1-Barakhamba lane, Connaught Place, New Delhi – 110001

## NOTICE

Notice is hereby given that the 12<sup>th</sup> Annual General Meeting of Coastal Karnataka Power Limited will be held on Tuesday, **the 4<sup>th</sup> day of September, 2018 at 10.30 A.M.** at Urjanidhi, 1 Barakhamba Lane, Connaught Place, New Delhi - 110001, to transact the following business:-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018, along with the Auditor's Report and Directors' Report thereon.
2. To appoint a Director in place of Shri Alok Sud (DIN 02394376) who retires by rotation and being eligible, offers himself for re-appointment.
3. To authorize Board of Directors of the Company to fix remuneration of the Statutory Auditor(s) of the Company in terms of the provisions of section 142(1) of the Companies Act, 2013 and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:-

**"RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditor(s) of the Company appointed/to be appointed by Comptroller and Auditor General of India for the Financial Year 2018-19, as may be deemed fit by the Board."

### SPECIAL BUSINESS

4. **Appointment of Shri P.C. Hembram as a Director of the Company**

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

**"RESOLVED THAT** in accordance with the provisions of section 161(1) and other applicable provisions, if any, of the Companies Act, 2013, Shri P.C. Hembram (DIN 02750881), who was appointed as a Additional Director w.e.f. 24<sup>th</sup> April, 2018 and who hold office upto the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. **Appointment of Shri P.K. Singh as a Director of the Company**

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

**"RESOLVED THAT** in accordance with the provisions of section 161(1) and other applicable provisions, if any, of the Companies Act, 2013, Shri P.K. Singh (DIN 03548218 who was appointed as a Additional Director w.e.f. 4<sup>th</sup> June, 2018 and who hold office upto the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**By order of the Board of Directors  
For Coastal Karnataka Power Limited**

**Sd/-  
(P.C. Hembram)  
Director & Project-in-Charge**

**Date: 09.08.2018**

**Place: New Delhi**

**Notes:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 & 5 of the Notice is annexed hereto. The relevant details as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the persons seeking appointment/re-appointment as Director under Item No. 2, 4 & 5 of the Notice are also annexed.
2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote instead of him/her and such proxy need not be a member.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent of the total share capital carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. Proxy form duly completed must be deposited at the registered office of the Company, not less than forty eight hours before the commencement of the Annual General Meeting. Proxy so appointed shall not have any right to speak at the meeting.
3. The Statutory Registers and other records under the Companies Act, 2013 and rules made thereunder, will be available for inspection by Members at the venue of AGM.

4. Pursuant to Section 139(5) of Companies Act, 2013 the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C&AG) within a period of 180 days from the commencement of the financial year and in terms of section 142(1) of the Companies Act, 2013, their remuneration has to be fixed by the Company in Annual General Meeting. The members may authorize the Board of Directors of the Company to fix an appropriate remuneration of auditors appointed by the Comptroller and Auditor General of India for the financial year 2018-19.

**Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013**

**Item No. 4**

Power Finance Corporation Limited (PFC), the holding company, nominated Shri P.C. Hembram, EVP (Unit-3), PFCCL as Director of the Company. Accordingly, Shri P.C. Hembram was inducted on the Board as additional Director w.e.f. 24<sup>th</sup> April, 2018.

Pursuant to the provision of Section 161(1) and other applicable provisions of the Companies Act, 2013, Shri P.C. Hembram will hold office till the date of ensuing Annual General Meeting. The Compliance with respect to the provisions of Section 160 of the Companies Act 2013 has been made for the appointment of Shri P.C. Hembram as Director of the company.

Your Directors recommend the resolution as contained in Item No. 4 of the Notice for approval of the members.

Shri P.C. Hembram is interested in this resolution to the extent of his appointment as a Director of the Company. No other Director of the Company is in anyway concerned/interested in the proposed resolution.

**Item No. 5**

Power Finance Corporation Limited (PFC), the holding company, nominated Shri P.K. Singh, ED, PFC as Director designated as Chairman of the Company. Accordingly, Shri P.K. Singh was inducted on the Board as additional Director w.e.f. 4<sup>th</sup> June, 2018.

Pursuant to the provision of section 161(1) and other applicable provisions of the Companies Act, 2013, Shri P.K. Singh will hold office till the date of ensuing Annual General Meeting. The Compliance with respect to the provisions of section 160 of the Companies Act 2013 has been made for the appointment of Shri P.K. Singh as Director of the company.

Your Directors recommend the resolution as contained in Item No. 5 of the Notice for approval of the members.

Shri P.K. Singh is interested in this resolution to the extent of his appointment as a Director of the Company. No other Director of the Company is in anyway concerned/ interested in the proposed resolution.

**By order of the Board of Directors  
For Coastal Karnataka Power Limited**

Sd/-  
(P.C. Hembram)  
Director & Project-in-Charge

**Date: 09.08.2018**

**Place: New Delhi**

**DETAILS OF DIRECTOR(S) SEEKING APPOINTMENT/ RE- APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING OF COASTAL KARNATAKA POWER LIMITED**

| Name of Director   | Shri Praveen Kumar Singh   | Shri Alok Sud  | Shri P.C. Hembram  |
|--|--|--|--|
| Date of Birth  | 20.01.1962   | 18.07.1959   | 05.08.1964   |
| Date of Appointment  | 04.06.2018   | 15.03.2016   | 24.04.2018   |
| Relationship with Directors  | None   | None   | None   |
| Qualification  | <ul style="list-style-type: none"> <li>• B.Tech (Electrical)</li> <li>• M.Tech (Energy &amp; Environment Management)</li> <li>• MBA (University of Houston)</li> </ul>   | <ul style="list-style-type: none"> <li>• Chartered Accountant</li> <li>• Company secretary</li> </ul>  | <ul style="list-style-type: none"> <li>• B. Sc (Mechanical Engineering),</li> <li>• M. Tech (Industrial Engineering)</li> </ul>  |
| Experience   | Shri Praveen Kumar Singh has vast experience of working in power sector. Presently, Shri Singh is holding the position of Executive Director, Power Finance Corporation Ltd. and has been associated with PFC for last 24 years. Previously Shri Singh has worked in different capacities with BHEL and CIL. | Shri Alok sud has vast experience of working in Power sector and has been working in Power Finance Corporation Ltd. Since 1988.<br><br>Shri Sud is currently working as Executive Director, Power Finance Corporation Limited  | Shri P.C. Hembram has vast experience of more than 29 years of working in power sector.<br><br>Presently, Shri Hembram is holding the position of General Manager, Power Finance Corporation Ltd. and working as EVP, PFC Consulting Limited (A Wholly owned subsidiary of Power Finance Corporation Ltd.)   |
| Directorships in other companies                                       | <ul style="list-style-type: none"> <li>• Sakhigopal Integrated Power Co. Limited</li> <li>• Ghogarpalli Integrated Power Co. Limited</li> <li>• Jharkhand Infrapower Limited</li> </ul>  | <ul style="list-style-type: none"> <li>• Chhattisgarh Surguja Power Limited</li> <li>• Coastal Maharashtra Mega Power Limited</li> <li>• Orissa Integrated Power Limited</li> <li>• Jharkhand Infrapower Limited</li> <li>• Shiga Energy Private Limited</li> <li>• Power Equity Capital Advisors Private Limited</li> <li>• Cheyyur Infra Limited</li> <li>• Odisha Infrapower Limited</li> <li>• Coastal Tamil Nadu Power Limited</li> </ul> | <ul style="list-style-type: none"> <li>• Bihar Mega Power Limited</li> <li>• Bihar Infrapower Limited</li> <li>• Cheyyur Infra Limited</li> <li>• Coastal Tamil Nadu Power Limited</li> <li>• Coastal Maharashtra Mega Power Limited</li> <li>• Deoghar Infra Limited</li> <li>• Deoghar Mega Power Limited</li> <li>• Ghogarpalli Integrated Power Company Limited</li> <li>• Shongtong Karcham-Wangtoo Transmission Limited</li> </ul> |
| Chairman/Membership of Committees across all public companies          | None   | None   | None   |
| Number of Shares held in the company as on 31 <sup>st</sup> March 2018 | 100 Equity Shares*   | None   | None   |

\* Nominee of Power Finance Corporation Limited

For detail regarding number of meetings of the board attended during the year in respect of abovementioned Directors, please refer to the Board's Report.



**COASTAL KARNATAKA POWER LIMITED**  
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

**BOARD'S REPORT 2017-18**

To

The Members,

Your Directors have pleasure in presenting the 12<sup>th</sup> Annual Report on the performance of the Company for the financial year ended on 31<sup>st</sup> March, 2018 along with Audited Statement of Accounts and Auditor's Report thereon.

**OPERATIONAL ACTIVITIES**

Your Company was incorporated on 10<sup>th</sup> February, 2006 as a wholly owned subsidiary of Power Finance Corporation Limited for the development of Ultra Mega Power Project in the state of Karnataka.

Power from the project will be procured by five states namely Karnataka (1500MW), Maharashtra (1000MW), Tamil Nadu (1000MW), Rajasthan (300MW) and Kerala (200MW).

Secretary (Power), Govt. Of India (GoI) had requested Chief Secretary, Govt. Of Karnataka to suggest suitable site for the proposed Ultra Mega Power Project at the earliest. Hon'ble Minister of State (IC) for Power, GoI had also requested Chief Minister, Karnataka to suggest a suitable site. Further, Hon'ble Minister of State (IC) for Power, GoI informed Chief Minister, Karnataka that land requirement would be about 1065 acres if conveyor belt is used for transportation of coal from port and 1230 acres if MGR system for transportation of coal. In response, Chief Minister, Karnataka proposed a site in Dakshina Kannada District of Karnataka.

A site visit was undertaken by a team of PFCCL and CEA officials and a site visit report was sent to Govt. of Karnataka on 20th June, 2013 highlighting issues with respect to the site.

As the activities with respect to the above mentioned UMPP are not progressing for a considerable time due to various reasons beyond the control of Coastal Karnataka Power Ltd (CKPL), MoP on 25.5.2016 has been requested to seek confirmation from the State Government for closure of the above mentioned UMPP.

## **FINANCIAL REVIEW**

During the year under review, your Company has not started its commercial activities. However, during the year the Company has spent an amount of ₹67.94 Lakh in the development of the project which has been transferred to capital work in progress. The total expenditure incurred by the Company till 31<sup>st</sup> March, 2018 is ₹5.68 Crores.

## **DIVIDEND**

As the Company has not started its commercial activities, your Directors have decided not to recommend any dividend for the financial year 2017-18.

## **SHARE CAPITAL**

The paid-up share capital of the Company is ₹5,00,000/- (50,000 equity shares of ₹10/- each) as on 31<sup>st</sup> March, 2018. During the year, the entire share capital of the Company is held by PFC and its nominees.

## **COMMITMENT ADVANCE**

No Commitment Advance has been received by the Company from the power procuring states.

## **DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

There are no Subsidiary/ Joint Venture/Associate Companies within the meaning of Section 2(87) and Section 2(6) of the Companies Act, 2013.

## **DIRECTORS**

Since the date of last Directors' Report, following changes were made in the constitution of the Board of the Company:

- Pursuant to the office order issued by Power Finance Corporation Limited (PFC), Holding Company Shri H.K. Das was appointed as Additional Director of the Company w.e.f. 18<sup>th</sup> October, 2017 in place of Shri R. Rahman.
- Pursuant to the office order issued by Power Finance Corporation Limited (PFC), Holding Company Shri P.C. Hembram was appointed as Additional Director of the Company w.e.f. 24<sup>th</sup> April, 2018 in place of Shri H.K. Das.

- On superannuation from the services of PFC on 31<sup>st</sup> May, 2018, Shri D. Ravi ceased to be the Chairman of the Company w.e.f. 31<sup>st</sup> May, 2018.
- Further, pursuant to the office order issued by Power Finance Corporation Limited (PFC), Holding Company Shri P.K. Singh was appointed as Additional Director and designated as Chairman of the Company w.e.f. 4<sup>th</sup> June, 2018.

In accordance with the provisions of Section 161(1) of the Companies Act 2013, **Shri P.K. Singh and Shri P.C. Hembram** will hold office upto the date of ensuing Annual General Meeting. The Board recommends that **Shri P.K. Singh and Shri P.C. Hembram** may be appointed as Directors, liable to retire by rotation.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 Shri Alok Sud, Director shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for re-appointment.

Your Board places on record its deep appreciation for the valuable contribution made by Shri D. Ravi, Shri R. Rahman and Shri H.K. Das during their tenure as Director of the Company.

Consequent to the aforesaid changes, presently the Board of Directors of the Company comprises of the following:

1. Shri P.K. Singh : Chairman
2. Shri Alok Sud : Director
3. Shri P.C. Hembram : Director

#### MEETINGS OF BOARD OF DIRECTORS

During the financial year 2017-18, four (4) Board meetings were held. The details of Board meetings and the attendance of each Director in said meetings are given below:

| SI. No. | Name & Designation of Directors    | Date of Board Meetings & attendance of each Director |            |            |            |
|---------|------------------------------------|--|------------|------------|------------|
|         |                                    | 23.05.2017   | 31.07.2017 | 18.10.2017 | 05.02.2018 |
| 1.      | Shri D.Ravi,<br>Chairman           | Yes  | Yes        | Yes        | Yes        |
| 2.      | Shri Alok Sud,<br>Director         | Yes  | Yes        | Yes        | Yes        |
| 3.      | Shri Rizwanur Rahman,*<br>Director | Yes  | Yes        | No         | -          |
| 4.      | Shri H.K. Das,<br>Director         | -  | -          | No         | Yes        |

\*Ceased to be Director w.e.f. 18.10.2017

## **AUDITOR'S REPORT**

M/s. Saluja & Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company for the financial year 2017-18 by the Comptroller & Auditor General of India. There are no adverse comments, observation or qualification in the Auditor's Report on the accounts of the Company.

## **COMMENTS OF COMPTROLLER AND AUDITOR GENERAL (C&AG) OF INDIA**

C&AG vide their letter dated 28<sup>th</sup> June, 2018 have decided not to conduct the supplementary audit of the financial statements of the Company for the year ended 31<sup>st</sup> March, 2018 and as such have no comments to make under Section 143(6)(b) of the Companies Act, 2013. A copy of the letter issued by C&AG in this regard is placed at **Annexure – I**

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- In the preparation of Annual Accounts for the financial year 2017-18 the applicable accounting standards had been followed along with proper explanation relating to material departure;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2017-18 and of the profit and loss of the Company for that year;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis; and
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **PUBLIC DEPOSITS**

The Company has not accepted any public deposit during the year ended 31<sup>st</sup> March, 2018 as covered under the provisions of Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT**

There are no material changes and commitments affecting financial position of the Company between the end of the financial year and date of Report.

## **PARTICULARS OF EMPLOYEES**

The Company has no employees on its roll. Hence, the particulars of employees as prescribed under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure-II** in Form AOC-2 and the same forms part of this report.

## **PARTICULARS OF LOANS, INVESTMENT AND GUARANTEE**

Particulars of loans, guarantees and investment have been disclosed in the financial statement.

## **EXTRACT OF THE ANNUAL RETURN**

Pursuant to the provisions of section 92 (3) of Companies Act 2013, extract of Annual Return is given in **Annexure – III** in the prescribed Form MGT-9, which forms part of this report.

## **RISK MANAGEMENT**

The Company is a Special Purpose Vehicle (SPV), incorporated for specific project and to undertake only preliminary activities viz. to undertake land acquisition process, obtain statutory clearances and approvals and to undertake bidding process and transfer the SPV to the selected bidder. As the Company will be transferred to the successful developer, risk management is necessary only till such transfer takes place. However the management regularly identifies the probable risks associated during this phase and takes adequate steps for the risk management.

In the event, expenditure incurred by PFC in formation of SPV as share capital/other expenses and the other costs incurred on pre development activities is less than the commitment advance received from procurers in proportion to their allocated share of power from the project and the project is abandoned or cannot be bid out or there is no selected developer after carrying out bidding process, the said expenses will be adjusted against the commitment advance. The balance amount left after adjustment of expenditure would be returned to procurers.

In the event, expenditure incurred is more than the commitment advance received from procurers and the project is abandoned or cannot be bid out or there is no selected developer after carrying out bidding process, additional amount would be sought from procurers.

Further, in case the developer is successfully selected, then the SPV would be transferred to successful developer after receiving the Acquisition Price, which will include all costs for developmental activities, land cost, success fee etc.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO**

As the Company's operations do not involve any manufacturing or processing activities, there are no significant particulars, relating to conservation of energy, technology absorption, under the Companies (Accounts) Rule, 2014. During the year under review, there is no foreign exchange earning and outgo.

#### **ACKNOWLEDGEMENT**

The Directors place on record their gratitude to the Central and State Governments and various Government agencies for the assistance, co-operation and encouragement they extended to the company. The Company, in particular, is thankful to the Comptroller & Auditor General of India, the Ministry of Power, the Statutory Auditors and Power Finance Corporation Limited for their suggestions and unstinted co-operation and guidance.

**For and on behalf of the Board of Directors**

**Sd/-  
(P.K. Singh)  
Chairman  
DIN: 03548218**

**Date: 09.08.2018  
Place: New Delhi**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF COASTAL KARNATAKA POWER LIMITED FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of Coastal Karnataka Power Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the act is responsible for expressing opinion on the financial statements under Section 143 of the act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the act. This is stated to have been done by them vide their Audit Report dated 14 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Coastal Karnataka Power Limited for the year ended 31 March 2018 under Section 143(6)(a) of the Act.

For and on behalf of the  
Comptroller & Auditor General of India



(Ritika Bhatia)  
Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board – III,  
New Delhi

Place: New Delhi  
Dated: 28 June 2018

**Form No. AOC-2**

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies(Accounts) Rules, 2014*)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**  
Coastal Karnataka Power Limited (CKPL) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2017-18.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

(a) Name(s) of the related party and nature of relationship:

Power Finance Corporation Limited : Holding Company  
PFC Consulting Limited : Subsidiary of the Holding company

(b) Nature of contracts/arrangements/transactions: Consultancy services & Fund arrangement

(c) Duration of the contracts / arrangements/transactions: Ongoing

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Cost of Employees working for developing ultra mega power projects are charged on cost to company basis/rate, as determined by the company in proportion to the man days( as assessed by the management) spent on the respective projects..

(e) Date(s) of approval by the Board, if any :-

(f) Amount paid as advances, if any: NIL

**For and on behalf of the Board of Directors**

**Sd/-**  
**(P.K. Singh)**  
**Chairman**  
**DIN: 03548218**



**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March 2018**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies(Management and Administration) Rules, 2014]

|  |   |  |  |                       |                                     |                  |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                                     |                                      |                          |  |
|--|---|--|--|-----------------------|-------------------------------------|------------------|--------------------------|-----------------------|--------------------------|----------------------------------|--------------------------|---------|--------------------------|----------------------|--------------------------|----------------------|-------------------------------------|----------------------|--------------------------|---------------------------------|-------------------------------------|--------------------------------------|--------------------------|--|
| i)                                     | CIN:  | U40102DL2006GOI146109  |  |                       |                                     |                  |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                                     |                                      |                          |  |
| ii)                                    | Registration Date [DDMMYY]  | 10.02.2006   |  |                       |                                     |                  |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                                     |                                      |                          |  |
| iii)                                   | Name of the Company   | Coastal Karnataka Power Limited  |  |                       |                                     |                  |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                                     |                                      |                          |  |
| iv)                                    | <b>Category of the Company</b><br>[Pl. tick]                                      | 1. Public Company <input checked="" type="checkbox"/><br>2. Private Company <input type="checkbox"/>   |  |                       |                                     |                  |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                                     |                                      |                          |  |
|  | <b>Sub Category of the Company</b><br>[ Please tick whichever are applicable]     | <table border="1"> <tr><td>1. Government Company</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>2. Small Company</td><td><input type="checkbox"/></td></tr> <tr><td>3. One Person Company</td><td><input type="checkbox"/></td></tr> <tr><td>4. Subsidiary of Foreign Company</td><td><input type="checkbox"/></td></tr> <tr><td>5. NBFC</td><td><input type="checkbox"/></td></tr> <tr><td>6. Guarantee Company</td><td><input type="checkbox"/></td></tr> <tr><td>7. Limited by shares</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>8. Unlimited Company</td><td><input type="checkbox"/></td></tr> <tr><td>9. Company having share capital</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>10. Company not having share capital</td><td><input type="checkbox"/></td></tr> <tr><td>11. Company Registered under Section 8</td><td><input type="checkbox"/></td></tr> </table> |  | 1. Government Company | <input checked="" type="checkbox"/> | 2. Small Company | <input type="checkbox"/> | 3. One Person Company | <input type="checkbox"/> | 4. Subsidiary of Foreign Company | <input type="checkbox"/> | 5. NBFC | <input type="checkbox"/> | 6. Guarantee Company | <input type="checkbox"/> | 7. Limited by shares | <input checked="" type="checkbox"/> | 8. Unlimited Company | <input type="checkbox"/> | 9. Company having share capital | <input checked="" type="checkbox"/> | 10. Company not having share capital | <input type="checkbox"/> | 11. Company Registered under Section 8 |
| 1. Government Company                  | <input checked="" type="checkbox"/>   |  |  |                       |                                     |                  |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                                     |                                      |                          |  |
| 2. Small Company                       | <input type="checkbox"/>  |  |  |                       |                                     |                  |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                                     |                                      |                          |  |
| 3. One Person Company                  | <input type="checkbox"/>  |  |  |                       |                                     |                  |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                                     |                                      |                          |  |
| 4. Subsidiary of Foreign Company       | <input type="checkbox"/>  |  |  |                       |                                     |                  |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                                     |                                      |                          |  |
| 5. NBFC                                | <input type="checkbox"/>  |  |  |                       |                                     |                  |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                                     |                                      |                          |  |
| 6. Guarantee Company                   | <input type="checkbox"/>  |  |  |                       |                                     |                  |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                                     |                                      |                          |  |
| 7. Limited by shares                   | <input checked="" type="checkbox"/>   |  |  |                       |                                     |                  |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                                     |                                      |                          |  |
| 8. Unlimited Company                   | <input type="checkbox"/>  |  |  |                       |                                     |                  |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                                     |                                      |                          |  |
| 9. Company having share capital        | <input checked="" type="checkbox"/>   |  |  |                       |                                     |                  |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                                     |                                      |                          |  |
| 10. Company not having share capital   | <input type="checkbox"/>  |  |  |                       |                                     |                  |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                                     |                                      |                          |  |
| 11. Company Registered under Section 8 | <input type="checkbox"/>  |  |  |                       |                                     |                  |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                                     |                                      |                          |  |
| v)                                     | Address of the Registered office and contract details                             | First Floor, 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001, Ph-01123456155.   |  |                       |                                     |                  |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                                     |                                      |                          |  |
| vi)                                    | Whether shares listed on recognized Stock Exchange(s)                             | No   |  |                       |                                     |                  |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                                     |                                      |                          |  |
| vii)                                   | Name, Address and contact details of Registrar & Transfer Agents (RTA ) if any :- | N.A.   |  |                       |                                     |                  |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                                     |                                      |                          |  |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| Sl.No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| NIL    |  |                                 |                                    |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]**

| Sl. No. | NAME AND ADDRESS OF THE COMPANY   | CIN/GLN               | HOLDING/ SUBSIDIARY / ASSOCIATE | % of shares held | Applicable Section |
|---------|---|-----------------------|---------------------------------|------------------|--------------------|
| 1.      | Power Finance Corporation Limited<br>'Urjanidhi' 1,<br>Barakhamba Lane,<br>Connaught Place,<br>New Delhi -110001. | L65910DL1986GOI024862 | Holding Company                 | 100              | 2(46)              |

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

| Category of Shareholders | No. of Shares held at the beginning of the year[As on 1-April-2017] |              |              |                   | No. of Shares held at the end of the year[As on 31-March-2018] |              |              |                   | % Change during the year |
|--------------------------|---|--------------|--------------|-------------------|--|--------------|--------------|-------------------|--------------------------|
|                          | Demat   | Physical     | Total        | % of Total Shares | Demat  | Physical     | Total        | % of Total Shares |                          |
| <b>A. Promoters</b>      |   |              |              |                   |  |              |              |                   |                          |
| (1) Indian               |   |              |              |                   |  |              |              |                   |                          |
| a) Individual*           | 0   | 700          | 700          | 1.4               | 0  | 700          | 700          | 1.4               | 0                        |
| b) Central Govt          | 0   | 0            | 0            | 0                 | 0  | 0            | 0            | 0                 | 0                        |
| c) State Govt(s)         | 0   | 0            | 0            | 0                 | 0  | 0            | 0            | 0                 | 0                        |
| d) Bodies Corp.          | 0   | 49300        | 49300        | 98.6              | 0  | 49300        | 49300        | 98.6              | 0                        |
| e) Banks / FI            | 0   | 0            | 0            | 0                 | 0  | 0            | 0            | 0                 | 0                        |
| f) Any other             | 0   | 0            | 0            | 0                 | 0  | 0            | 0            | 0                 | 0                        |
| <b>Sub Total (A) (1)</b> | <b>0</b>  | <b>50000</b> | <b>50000</b> | <b>100</b>        | <b>0</b>   | <b>50000</b> | <b>50000</b> | <b>100</b>        | <b>0.00</b>              |
| (2) Foreign              |   |              |              |                   |  |              |              |                   |                          |
| a)NRIs-Individuals       | 0   | 0            | 0            | 0                 | 0  | 0            | 0            | 0                 | 0                        |
| b)Other-Individuals      | 0   | 0            | 0            | 0                 | 0  | 0            | 0            | 0                 | 0                        |
| c)Bodies Corp.           | 0   | 0            | 0            | 0                 | 0  | 0            | 0            | 0                 | 0                        |
| d) Banks/FI              | 0   | 0            | 0            | 0                 | 0  | 0            | 0            | 0                 | 0                        |
| E) Any other             | 0   | 0            | 0            | 0                 | 0  | 0            | 0            | 0                 | 0                        |
| <b>Sub-Total (A) (2)</b> | <b>0</b>  | <b>0</b>     | <b>0</b>     | <b>0.00</b>       | <b>0</b>   | <b>0</b>     | <b>0</b>     | <b>0.00</b>       | <b>0</b>                 |

|  |          |              |              |             |          |              |              |             |             |
|--|----------|--------------|--------------|-------------|----------|--------------|--------------|-------------|-------------|
| <b>Total shareholding of Promoter (A)= (A)(1) + (A)(2)</b>                       | <b>0</b> | <b>50000</b> | <b>50000</b> | <b>100</b>  | <b>0</b> | <b>50000</b> | <b>50000</b> | <b>100</b>  | <b>0.00</b> |
| <b>B. Public Shareholding</b>  |          |              |              |             |          |              |              |             |             |
| 1. Institutions  | 0        | 0            | 0            | 0           | 0        | 0            | 0            | 0           | 0           |
| a) Mutual Funds  | 0        | 0            | 0            | 0           | 0        | 0            | 0            | 0           | 0           |
| b) Banks / FI  | 0        | 0            | 0            | 0           | 0        | 0            | 0            | 0           | 0           |
| c) Central Govt  | 0        | 0            | 0            | 0           | 0        | 0            | 0            | 0           | 0           |
| d) State Govt(s)   | 0        | 0            | 0            | 0           | 0        | 0            | 0            | 0           | 0           |
| e) Venture Capital Funds   | 0        | 0            | 0            | 0           | 0        | 0            | 0            | 0           | 0           |
| f) Insurance Companies   | 0        | 0            | 0            | 0           | 0        | 0            | 0            | 0           | 0           |
| g) FII's   | 0        | 0            | 0            | 0           | 0        | 0            | 0            | 0           | 0           |
| h) Foreign Venture Capital Funds   | 0        | 0            | 0            | 0           | 0        | 0            | 0            | 0           | 0           |
| i) Others (specify)  | 0        | 0            | 0            | 0           | 0        | 0            | 0            | 0           | 0           |
| <b>Sub-total (B)(1):-</b>  | <b>0</b> | <b>0</b>     | <b>0</b>     | <b>0.00</b> | <b>0</b> | <b>0</b>     | <b>0</b>     | <b>0.00</b> | <b>0.00</b> |
| <b>2. Non-Institutions</b>   |          |              |              |             |          |              |              |             |             |
| a) Bodies Corp.  |          |              |              |             |          |              |              |             |             |
| i) Indian  | 0        | 0            | 0            | 0           | 0        | 0            | 0            | 0           | 0           |
| ii) Overseas   | 0        | 0            | 0            | 0           | 0        | 0            | 0            | 0           | 0           |
| b) Individuals   |          |              |              |             |          |              |              |             |             |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | 0        | 0            | 0            | 0           | 0        | 0            | 0            | 0           | 0           |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 0        | 0            | 0            | 0           | 0        | 0            | 0            | 0           | 0           |

|  |            |              |              |             |            |              |              |             |             |
|--|------------|--------------|--------------|-------------|------------|--------------|--------------|-------------|-------------|
| c) Others (specify)                                    | 0          | 0            | 0            | 0           | 0          | 0            | 0            | 0           | 0           |
| <b>Sub-total (B)(2):-</b>                              | <b>0</b>   | <b>0</b>     | <b>0</b>     | <b>0.00</b> | <b>0</b>   | <b>0</b>     | <b>0</b>     | <b>0.00</b> | <b>0.00</b> |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>     | <b>0</b>   | <b>0</b>     | <b>0</b>     | <b>0.00</b> | <b>0</b>   | <b>0</b>     | <b>0</b>     | <b>0.00</b> | <b>0.00</b> |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b> | <b>0</b>   | <b>0</b>     | <b>0</b>     | <b>0.00</b> | <b>0</b>   | <b>0</b>     | <b>0</b>     | <b>0.00</b> | <b>0.00</b> |
| <b>Grand Total (A+B+C)</b>                             | <b>NIL</b> | <b>50000</b> | <b>50000</b> | <b>100</b>  | <b>NIL</b> | <b>50000</b> | <b>50000</b> | <b>100</b>  | <b>0.00</b> |

\* Nominee of Power Finance Corporation Limited

**(ii) Shareholding of Promoter-**

| Sl. No | Shareholder's Name                | Shareholding at the beginning of the year |                                  |  | Share holding at the end of the year |                                  |  | % change in share holding during the year |
|--------|-----------------------------------|---|----------------------------------|--|--------------------------------------|----------------------------------|--|---|
|        |                                   | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                        | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |   |
| 1      | Power Finance Corporation Limited | 49300                                     | 98.6%                            | NIL  | 49300                                | 98.6%                            | NIL  | NIL                                       |
| 2      | Shri Avkash Saxena*               | 100                                       | 0.2%                             | NIL  | 100                                  | 0.2%                             | NIL  | NIL                                       |
| 3      | Shri Naveen Bhushan Gupta*        | 100                                       | 0.2%                             | NIL  | 100                                  | 0.2%                             | NIL  | NIL                                       |
| 4      | Smt Nalini Vanjani*               | 100                                       | 0.2%                             | NIL  | 100                                  | 0.2%                             | NIL  | NIL                                       |
| 5      | Shri Dinesh Vij*                  | 100                                       | 0.2%                             | NIL  | 100                                  | 0.2%                             | NIL  | NIL                                       |
| 6      | Shri Naveen Kumar*                | 100                                       | 0.2%                             | NIL  | NIL                                  | NIL                              | NIL  | (0.2)                                     |
| 7      | Shri P.K.Singh*                   | 100                                       | 0.2%                             | NIL  | 100                                  | 0.2%                             | NIL  | NIL                                       |
| 8      | Shri P.K.Bhargava*                | 100                                       | 0.2%                             | NIL  | NIL                                  | NIL                              | NIL  | (0.2)                                     |
| 9      | Shri Subir Mulchandani*           | NIL                                       | NIL                              | NIL  | 100                                  | 0.2%                             | NIL  | 0.2                                       |
| 10     | Shri Gaurisankar Patra*           | NIL                                       | NIL                              | NIL  | 100                                  | 0.2%                             | NIL  | 0.2                                       |

\* NOMINEE OF POWER FINANCE CORPORATION LIMITED

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

| Sl.No. |  | Shareholding at the beginning of the year       |                                  | Cumulative Shareholding during the year |                                  |
|--------|--|---|----------------------------------|---|----------------------------------|
|        |  | No. of shares                                   | % of total shares of the company | No. of shares                           | % of total shares of the company |
|        | At the beginning of the year   | <b>NO CHANGE IN THE PROMOTERS' SHAREHOLDING</b> |                                  |   |                                  |
|        | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |   |                                  |   |                                  |
|        | At the end of the year   |   |                                  |   |                                  |

**(iv) Shareholding Pattern of top ten Shareholders:  
(other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl.No. | For Each of the Top 10 Shareholders  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|--|---|----------------------------------|---|----------------------------------|
|        |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
|        | At the beginning of the year   | <b>NIL</b>                                |                                  |   |                                  |
|        | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |   |                                  |   |                                  |
|        | At the end of the year   |   |                                  |   |                                  |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| Sl.No. | <i>Shareholding of each Directors and each Key Managerial Personnel</i> | Shareholding at the beginning of the year |                          | Cumulative Shareholding during the year |                                  |
|--------|---|---|--------------------------|---|----------------------------------|
|        |   | No. of shares                             | % of total shares of the | No. of shares                           | % of total shares of the company |

|  |  |            |                |  |  |
|--|--|------------|----------------|--|--|
|  |  |            | <b>company</b> |  |  |
|  | At the beginning of the year   | <b>NIL</b> |                |  |  |
|  | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |            |                |  |  |
|  | At the end of the year   |            |                |  |  |

**V. INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment

|  | Secured Loans excluding deposits | Unsecured Loans    | Deposits | Total Indebtedness |
|--|----------------------------------|--------------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                    |          |                    |
| i) Principal Amount  |                                  | 1,62,93,431        |          |                    |
| ii) Interest due but not paid                              |                                  |                    |          |                    |
| iii) Interest accrued but not due                          |                                  | 3,32,03,487        |          |                    |
| <b>Total (i+ii+iii)</b>                                    |                                  | <b>4,94,96,918</b> |          | <b>4,94,96,918</b> |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                    |          |                    |
| * Addition   |                                  | 67,95,592          |          |                    |
| * Reduction  |                                  |                    |          |                    |
| <b>Net Change</b>  |                                  | <b>67,95,592</b>   |          | <b>67,95,592</b>   |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                    |          |                    |
| i) Principal Amount  |                                  | 1,65,47,681        |          |                    |
| ii) Interest due but not paid                              |                                  |                    |          |                    |
| iii) Interest accrued but not due                          |                                  | 3,97,44,829        |          |                    |
| <b>Total (i+ii+iii)</b>                                    |                                  | <b>5,62,92,510</b> |          | <b>5,62,92,510</b> |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| SI.No. | Particulars of Remuneration   | Name of MD/WTD/ Manager  | Total Amount |
|--------|---|--|--------------|
| 1      | Gross salary  | <b>NOT APPLICABLE AS THE COMPANY DOES NOT HAVE ANY MD/WTD/MANAGER.</b> |              |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |  |              |

|   |   |  |
|---|---|--|
|   | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                 |  |
|   | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 |  |
| 2 | Stock Option  |  |
| 3 | Sweat Equity  |  |
| 4 | Commission<br>- as % of profit<br>- others, specify...                  |  |
| 5 | Others, please specify  |  |
|   | Total (A)   |  |
|   | Ceiling as per the Act  |  |

**B. Remuneration to other directors**

| Sl. No          | Particulars of Remuneration                | Name of Directors  | Total Amount |
|-----------------|--|--|--------------|
| 1               | Independent Directors                      | NOT APPLICABLE AS COMPANY DOES NOT HAVE ANY INDEPENDENT DIRECTOR |              |
|                 | Fee for attending board committee meetings |  |              |
|                 | Commission                                 |  |              |
|                 | Others, please specify                     |  |              |
|                 | Total (1)                                  |  |              |
| 2               | Other Non-Executive Directors              |  |              |
|                 | Fee for attending board committee meetings | NIL  |              |
|                 | Commission                                 |  |              |
|                 | Others, please specify                     |  |              |
|                 | Total (2)                                  |  |              |
| Total (B)=(1+2) |  |  |              |
|                 | Total Managerial Remuneration              |  |              |
|                 | Overall Ceiling as per the Act             |  |              |

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

| Sl.No. | Particulars of Remuneration | Key Managerial Personnel |
|--------|-----------------------------|--------------------------|
|        |                             |                          |

|   |   | CEO  | CS | CFO | Total |
|---|---|--|----|-----|-------|
| 1 | Gross salary  | NOT APPLICABLE AS THE COMPANY DOES NOT HAVE ANY CEO/CS/CFO |    |     |       |
|   | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |  |    |     |       |
|   | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |  |    |     |       |
|   | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              |  |    |     |       |
| 2 | Stock Option  |  |    |     |       |
| 3 | Sweat Equity  |  |    |     |       |
| 4 | Commission  |  |    |     |       |
|   | - as % of profit  |  |    |     |       |
|   | others, specify...  |  |    |     |       |
| 5 | Others, please specify  |  |    |     |       |
|   | Total   |  |    |     |       |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018.

**For and on behalf of the Board of Directors**

**Sd/-  
(P.K. Singh)  
Chairman  
DIN:03548218**





**INDEPENDENT AUDITOR'S REPORT**

To

**The Members of Coastal Karnataka Power Limited**

**Report on the financial statements**

We have audited the accompanying financial statements of **Coastal Karnataka Power Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.



We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2018;
- (b) In the case of Statement of Profit and Loss for the year ended on that date which is nil since all the expenses have been shown under the head Capital Work in Progress as per Note No.8; and
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Government of India in terms of sub-section 11 of section 143 of the Act, and 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, we give in the "Annexure-I", a statement on the matters specified in paragraphs 3 and 4 of the said Order.
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 II" 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 purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) Vide Notification No. GSR 463(E) dated 05th June, 2015 of Department of Company Affairs, Government of India; Government Companies has been exempted from applicability of Provision of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-III"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. There were no legal cases pending against the company.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For SALUJA & ASSOCIATES**  
**Chartered Accountants**  
**Firm Reg. No: 000148N**



**Kamal Salhotra**  
**(Partner)**

**M No. 081472**

**Place: New Delhi**

**Date: 14.05.2018**



**ANNEXURE-I TO THE INDEPENDENT AUDITOR'S REPORT OF COASTAL KARNATAKA POWER LIMITED**

The Annexure referred to in our report to the members of Coastal Karnataka Power Limited ('the Company') for the year ended 31<sup>st</sup> March 2018.

We report that:

1. The company has no Fixed Assets other than Capital work in progress. Hence the provisions of clause (i) of paragraph 3 of the Order are not applicable.
2. The Company does not hold any inventories; hence clause (ii) of paragraph 3 of the Order is not applicable
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the company has not given any loan, guarantee and 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 loans made.
5. Based on our scrutiny of the company's records and according to the information and explanations given to us, in our opinion, the Company has not accepted deposit from the public within the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. 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.
7. 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 ,2018 for a period of more than six months from the date they became payable.  
  
b). According to the information and explanations given to us, there are no material disputed statutory dues payable in respect of income tax, sales tax, service tax/GST, duty of customs, duty of excise and value added tax which are outstanding as at 31<sup>st</sup> March ,2018.
8. 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 (viii) of paragraph 3 of the Order is not applicable.
9. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year, hence clause (ix) of paragraph 3 of the Orders not applicable.



10. Based upon the audit procedures 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.
11. In our opinion and according to the information and explanations given to us, the Company has not paid/provided for any managerial remuneration during the year as stipulated to section 197 read with Schedule V to the Act, hence clause (xi) of paragraph 3 of the Order is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company hence clause (xii) of paragraph 3 of the Order regarding default is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions 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.
14. According to the records of Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore provisions of clause (xiv) of paragraph 3 of the Order are not applicable.
15. According to the information and explanations 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.
16. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For SALUJA & ASSOCIATES**

**Chartered Accountants**

**Firm Reg. No: 000148N**



**Kamal Salhotra  
(Partner)**

**M No. 081472**

**Place: New Delhi**

**Date: 14.05.2018**




**ANNEXURE-II TO THE INDEPENDENT AUDITOR'S REPORT OF COASTAL KARNATAKA POWER LIMITED**

The Annexure referred to in our report to the members Coastal Karnataka Power Limited ('the Company') for the year ended 31<sup>st</sup> March, 2018.

|    |   |   |
|----|---|---|
| 1. | Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available. | The company does not have any freehold and leasehold land, hence not applicable.  |
| 2. | Whether there are any cases of waiver/write off of debts/loans/interest etc. If yes, the reasons thereof and amount involved.   | There are no such cases.  |
| 3. | Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from the Government or other authorities.   | There is no inventory in the company and no assets received from Government or other authorities, hence not applicable. |

Based on the above facts, in our opinion and to the best of our information and according to the explanations given to us, no action is required to be taken thereon and there is no impact on the accounts and financial statements of the company.

**For SALUJA & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No: 000148N

  
**Kamal Salhotra**  
(Partner)  
M No. 081472  
Place: New Delhi  
Date: 14.05.2018



## **ANNEXURE-III TO THE INDEPENDENT AUDITOR'S REPORT OF COASTAL KARNATAKA POWER LIMITED**

The Annexure referred to in our report to the members of Coastal Karnataka Power Limited ('the Company') for the year ended 31<sup>st</sup> March, 2018.

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

We have audited the internal financial controls over financial reporting of **Coastal Karnataka Power Limited** ("the Company") as of 31<sup>st</sup> March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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



### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

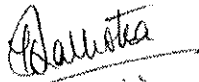
### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SALUJA & ASSOCIATES**

**Chartered Accountants**

**Firm Reg. No: 000148N**



**Kamal Salhotra  
(Partner)**

**M No. 081472**

**Place: New Delhi**

**Date: 14.05.2018**







ANNEXURE-I

TO THE INDEPENDENT AUDITOR'S REPORT OF COASTAL KARNATAKA POWER LIMITED

DIRECTIONS ISSUED BY THE COMPTROLLER AUDITOR GENERAL OF INDIA

UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013

The Annexure referred to in our report to the members of COASTAL KARNATAKA POWER LIMITED for the year ended 31<sup>st</sup> March 2018

|   |   |   |
|---|---|---|
| 1 | Whether the Company has clear title/Lease deeds for freehold and leasehold land respectively? If not, Please state the area of freehold and leasehold land for which title/lease deeds are not available. | The Company does not have any freehold and leasehold land, Hence this clause is not applicable.                         |
| 2 | Whether there are any cases of wavier/write off debts/loans/Interest etc. If yes, the reasons thereof and amount involved.  | There are no such cases of waiver/write debts/loans/interest etc. Hence this clause is not applicable.                  |
| 3 | Whether proper records are maintained for inventories lying with third parties and assets received are gift/grant(s) from the government or other authorities.  | There is no inventory in the company and no assets received from government or other authorities, hence not applicable. |

Based on the above facts, in our opinion and to the best of our information and according to the explanations given to us, no action is required to be taken thereon and there is no impact on the accounts and financial statements of the company.

For SALUJA & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 000148N

  
Kamal Salhotra  
(Partner)  
M.No.: 081472  
Place: New Delhi  
Date: 14/05/2018



**Saluja & Associates**

**Chartered Accountants**



**Head Office : 69-Deesh Bandhu Gupta Road, Jolly Building, Pahar Ganj, New Delhi-110055**

Tel. : 011-23617870-23628613 Fax : 011-23620631

URL : Web:www.salujaandassociates.com email : saluja@salujaandassociates.com

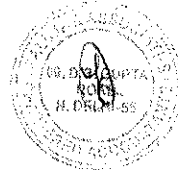
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**Annexure – II**

**Compliance Certificate**

We have conducted the audit of accounts of **M/S Coastal Karnataka Power Limited** for the year ended 31<sup>st</sup> March 2018 in accordance with the directions / sub directions issued by C&AG of India u/143(5) of the Companies Act, 2013 and certify that we have complied with all the directions / sub directions issued to us.

**For SALUJA & ASSOCIATES  
Chartered Accountants  
Firm Reg.No.: 000148N**



*Kamal Salhotra*

**Kamal Salhotra  
(Partner)**

**M.No.: 081472**

**PLACE: NEW DELHI  
DATED: 14/05/2018**

**COASTAL KARNATAKA POWER LIMITED**  
**CIN:U40102DL2006GOI146109**  
**BALANCE SHEET AS AT MARCH 31, 2018**

(Amount in ₹)

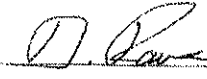
| Particulars                        | Note No. | As at March 31,<br>2018 | As at March 31,<br>2017 |
|------------------------------------|----------|-------------------------|-------------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |          |                         |                         |
| <b>(1) Shareholders' funds</b>     |          |                         |                         |
| (a) Share capital                  | 3        | 500,000                 | 500,000                 |
| (b) Reserves and surplus           | 4        | (20,802)                | (20,802)                |
|                                    |          | <b>479,198</b>          | <b>479,198</b>          |
| <b>(2) Non-current liabilities</b> |          |                         |                         |
| (a) Long-term borrowings           | 5        | 16,547,681              | 16,293,431              |
| (b) Other Long-term liabilities    | 6        | 39,744,829              | 33,203,487              |
|                                    |          | <b>56,292,510</b>       | <b>49,496,918</b>       |
| <b>(3) Current liabilities</b>     |          |                         |                         |
| (a) Other current liabilities      | 7        | 73,750                  | 71,875                  |
|                                    |          | <b>73,750</b>           | <b>71,875</b>           |
| <b>TOTAL</b>                       |          | <b>56,845,458</b>       | <b>50,047,991</b>       |
| <b>II. ASSETS</b>                  |          |                         |                         |
| <b>(1) Non-current assets</b>      |          |                         |                         |
| (a) Fixed assets                   |          |                         |                         |
| (i) Capital work-in-progress       | 8        | 56,836,565              | 50,042,111              |
|                                    |          | <b>56,836,565</b>       | <b>50,042,111</b>       |
| <b>(2) Current assets</b>          |          |                         |                         |
| (a) Cash and cash equivalents      | 9        | 8,893                   | 5,880                   |
|                                    |          | <b>8,893</b>            | <b>5,880</b>            |
| <b>TOTAL</b>                       |          | <b>56,845,458</b>       | <b>50,047,991</b>       |

|  |          |
|--|----------|
| Corporate Information                  | 1        |
| Significant accounting policies        | 2        |
| Expenditure During Construction Period | 10       |
| Other Notes to financial statements    | 11 to 28 |

For and on behalf of Board of Directors

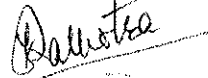
  
**P C Hembram**  
 Director  
 DIN:02750881

  
**Alok Sud**  
 Director  
 DIN:02394376

  
**Dhanabalan Ravi**  
 Chairman  
 DIN:00038452

AS PER OUR REPORT OF EVEN DATE

For & on behalf of  
**SALUJA & ASSOCIATES**  
 CHARTERED ACCOUNTANTS  
 Firm Regn. No.-000148N

  
**Kamal Salhotra**  
 (Partner)  
 M No : 081472  
 Place : New Delhi  
 Date : 14.05.2018



**COASTAL KARNATAKA POWER LIMITED**  
CIN:U40102DL2006GOI146109  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018**

(Amount in ₹)

|       | Particulars  | Note No. | For the Year ended<br>March 31,2018 | For the Year ended<br>March 31,2017 |
|-------|--|----------|-------------------------------------|-------------------------------------|
| I.    | Revenue from operations  |          | -                                   | -                                   |
| II.   | Other income   |          | -                                   | -                                   |
| III.  | <b>Total Revenue (I+II)</b>  |          | -                                   | -                                   |
| IV.   | Expenses   |          | -                                   | -                                   |
|       | <b>Total Expenses</b>  |          | -                                   | -                                   |
| V.    | <b>Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)</b> |          | -                                   | -                                   |
| VI.   | Exceptional Items  |          | -                                   | -                                   |
| VII.  | <b>Profit/(Loss) before extraordinary items and tax (V-VI)</b>                   |          | -                                   | -                                   |
| VIII. | Extraordinary items  |          | -                                   | -                                   |
| IX.   | <b>Profit/(Loss) before tax (VII-VIII)</b>                                       |          | -                                   | -                                   |
| X.    | <b>Tax expense:</b>  |          |                                     |                                     |
|       | (1) Current tax  |          | -                                   | -                                   |
|       | (2) Deferred tax   |          | -                                   | -                                   |
| XI.   | <b>Profit/(Loss) for the year from continuing operations (IX-X)</b>              |          | -                                   | -                                   |
| XII.  | <b>Profit/(Loss) from discontinuing operations</b>                               |          | -                                   | -                                   |
| XIII. | <b>Tax expense of discontinuing operations</b>                                   |          | -                                   | -                                   |
| XIV.  | <b>Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)</b>        |          | -                                   | -                                   |
| XV.   | <b>Profit/(Loss) for the year after tax (XI +XIV)</b>                            |          | -                                   | -                                   |
| XVI.  | <b>Earnings per equity share(Par Value ₹10/- each):</b>                          |          |                                     |                                     |
|       | (1) Basic  | 22       | -                                   | -                                   |
|       | (2) Diluted  | 22       | -                                   | -                                   |

|  |          |
|--|----------|
| Corporate Information                  | 1        |
| Significant accounting policies        | 2        |
| Expenditure During Construction Period | 10       |
| Other Notes to financial statements    | 11 to 28 |

For and on behalf of Board of Directors

  
P C Hembfam  
Director  
DIN:02750881

  
Alok Sud  
Director  
DIN:02394376

  
Dhanabalan Ravi  
Chairman  
DIN:00038452

AS PER OUR REPORT OF EVEN DATE  
For & on behalf of  
**SALUJA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Regn. No.-000148N

  
Kamal Salhotra  
(Partner)  
M No. : 081472  
Place : New Delhi  
Date : 14.05.2018



**COASTAL KARNATAKA POWER LIMITED**  
**CIN:U40102DL2006GOI146109**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**


(Amount in ₹)

| Particulars  | For the Year ended<br>March 31,2018 | For the Year ended<br>March 31,2017 |
|--|-------------------------------------|-------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                      |                                     |                                     |
| Profit before tax  | -                                   | -                                   |
| Operating profit before working capital changes                    | -                                   | -                                   |
| <b>Adjustment For Increase/(Decrease) in:</b>                      |                                     |                                     |
| Other Current Liabilities  | 1,875                               | 312.00                              |
| Other Long Term Liabilities  | 6,541,342                           | 5,835,742                           |
| <b>Net cash flow from operating activities</b>                     | <b>6,543,217</b>                    | <b>5,836,054</b>                    |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                      |                                     |                                     |
| Capital work-in-progress   | (6,794,454)                         | (6,011,906)                         |
| <b>Net cash used in investing activities</b>                       | <b>(6,794,454)</b>                  | <b>(6,011,906)</b>                  |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                      |                                     |                                     |
| Proceeds from Long-term borrowings                                 | 254,250                             | 174,982                             |
| <b>Net cash flow from financing activities</b>                     | <b>254,250</b>                      | <b>174,982</b>                      |
| <b>Net increase/(decrease) in cash and cash equivalents(A+B+C)</b> | <b>3,013</b>                        | <b>(870)</b>                        |
| <b>Add: Cash and cash equivalents at beginning of the year</b>     | <b>5,880</b>                        | <b>6,750</b>                        |
| <b>Cash and cash equivalents at end of the year</b>                | <b>8,893</b>                        | <b>5,880</b>                        |
| Balance with bank  | 8,893                               | 5,880                               |


For and on behalf of Board of Directors

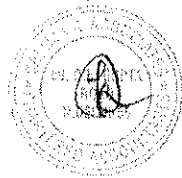
  
**P C Hembram**  
 Director  
 DIN:02750881

  
**Alok Sud**  
 Director  
 DIN:02394376

  
**Dhanabalan Ravi**  
 Chairman  
 DIN:00038452

AS PER OUR REPORT OF EVEN DATE  
 For & on behalf of  
**SALUJA & ASSOCIATES**  
 (CHARTERED ACCOUNTANTS)  
 Firm Regn. No.-000148N

  
**Kamal Salhotra**  
 (Partner)  
 M No. : 081472  
 Place : New Delhi  
 Date : 14.05.2018



**COASTAL KARNATAKA POWER LIMITED**

**CIN:U40102DL2006GOI146109**

**Notes to the Financial Statements for the year ended March 31, 2018**

**1 Corporate Information**

The Company was incorporated on February 10, 2006 under the Companies Act, 1956 as a wholly owned subsidiary of Power Finance Corporation Limited (PFC), a Govt. of India Undertaking. Certificate for Commencement of Business was issued on November 23, 2006. The Company is a special purpose vehicle incorporated to facilitate the acquisition of land and complete preliminary work regarding statutory clearances including that of environment, forest, CRZ etc. for the purpose of establishing Ultra Mega Power Project of 4000 MW in the state of Karnataka.

**2 Significant Accounting Policies**

**a. Basis of Preparation**

The financial statements are prepared under historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles and Accounting Standards specify under Sec 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies Act, 2013.

**b. Use of Estimate**

The preparation of financial statements requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known and/or materialised.

**c. Recognition of Income/ Expenditure**

Income and expenses (except as stated below) are accounted for on accrual basis. Fees for advisory and professional services for developing Ultra Mega Power Project payable to PFC/PFCCL is recognised in the year of transfer of the company to the successful bidder.

**d. Capital work-in-progress**

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

**e. Loans**

Expenditure incurred by the company for the Project is financed by the Holding Company/Procurers and is grouped under Unsecured Long term borrowings. Interest is charged on funds deployed by them.

**f. Investments**

Investments are stated at cost.



**COASTAL KARNATAKA POWER LIMITED**

**CIN:U40102DL2006GOI146109**

**Notes to the Financial Statements for the year ended March 31, 2018**

**g. Borrowing Cost**

Borrowing cost is charged to the statement of profit & loss except for interest on borrowings for capital assets is capitalized till the date of commercial use of the assets.

**h. Preliminary Expenses**

Preliminary expenses are written off in the year in which such expenditure is incurred.

**i. Provisions and Contingencies**

A provision is recognised when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits ) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent liabilities are disclosed in the notes.

**j. Cash Flow Statement**

Cash flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard-3 on Cash Flow Statement.

**k. Taxes**

Provision for taxation includes provision for Income Tax and Deferred Tax. Current Income tax has been provided at the rates in force in accordance with the provisions of Income Tax Act 1961. Deferred tax is recognised, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods using the tax rates and laws that are enacted and are substantively enacted as on the Balance Sheet date. Where there is unabsorbed depreciation or carried forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

**l. Cash & Cash Equivalents**

Cash comprises cash on hand, demand deposits with banks, imprest with postal authorities and cheques / drafts / pay orders in hand. Company considers cash equivalents as all short term balances (with 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.



**COASTAL KARNATAKA POWER LIMITED**

CIN:U40102DL2006GOI146109

**Notes to the Financial Statements for the year ended March 31, 2018**

**NOTE NO. 3 - SHARE CAPITAL**

(Amount in ₹)

| Particulars   | As at March 31, 2018  | As at March 31, 2017 |
|---|---|----------------------|
|   | <b>Authorised :</b><br>50,000 Equity shares of ₹.10/- each<br>(Previous year 50,000 Equity shares of ₹.10/- each) | 500,000              |
| <b>Issued, subscribed and fully paid up :</b><br>50,000 Equity shares of ₹.10/- each<br>(Previous year 50,000 Equity shares of ₹.10/- each) | 500,000   | 500,000              |
| <b>Total Issued, subscribed and fully paid up share capital</b>   | <b>500,000</b>  | <b>500,000</b>       |

**a. Reconciliation of the shares outstanding as at the beginning and as at the end of the reporting year**

**Equity Shares**

| Particulars                             | As at March 31, 2018 |                | As at March 31, 2017 |                |
|---|----------------------|----------------|----------------------|----------------|
|   | No. of Shares        | Amount(₹)      | No. of Shares        | Amount(₹)      |
| Balance as at the beginning of the year | 50,000               | 500,000        | 50,000               | 500,000        |
| Add: Shares issued during the year      | -                    | -              | -                    | -              |
| Balance as at the end of the year       | <b>50,000</b>        | <b>500,000</b> | <b>50,000</b>        | <b>500,000</b> |

**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.

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

**c. Shares held by holding company**

Out of 50,000 equity shares issued by the company, shares held by its Holding Company are as below:

| Particulars  | Amount(₹.)           |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2018 | As at March 31, 2017 |
| <b>Power Finance Corporation Limited, the Holding Company *</b><br>50,000 (Previous year: 50,000) equity shares of ₹. 10 each fully paid | 500,000              | 500,000              |

**d. Details of shares held by shareholders holding more than 5% of the aggregate shares in the company**

| Particulars   | As at March 31, 2018 |                        | As at March 31, 2017 |                        |
|---|----------------------|------------------------|----------------------|------------------------|
|   | No. of Shares        | % holding in the class | No. of Shares        | % holding in the class |
| <b>Equity Shares of ₹. 10 each fully paid</b><br>Power Finance Corporation Limited, the Holding Company * | 50,000               | 100%                   | 50,000               | 100%                   |
|   | <b>50,000</b>        | <b>100%</b>            | <b>50,000</b>        | <b>100%</b>            |

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





**COASTAL KARNATAKA POWER LIMITED**

CIN:U40102DL2006GOI146109

**Notes to the Financial Statements for the year ended March 31, 2018**

**NOTE NO. 4 - RESERVES AND SURPLUS**

(Amount in ₹)

| Particulars  | As at March 31,<br>2018 | As at March 31,<br>2017 |
|--|-------------------------|-------------------------|
| <u>Surplus in the Statement of Profit and Loss</u> |                         |                         |
| Balance as at the beginning of the year            | (20,802)                | (20,802)                |
| Profit/(Loss) for the year                         | -                       | -                       |
| Balance as at the end of the year                  | (20,802)                | (20,802)                |
| <b>TOTAL</b>                                       | <b>(20,802)</b>         | <b>(20,802)</b>         |

**NOTE NO. 5 - LONG TERM BORROWINGS**

(Amount in ₹)

| Particulars  | As at March 31,<br>2018 | As at March 31,<br>2017 |
|--|-------------------------|-------------------------|
| <u>Loans and advances from related party (Unsecured)</u> |                         |                         |
| Power Finance Corporation Ltd (Holding Company)          | 16,547,681              | 16,293,431              |
| <b>TOTAL</b>   | <b>16,547,681</b>       | <b>16,293,431</b>       |

**Terms of repayment for Unsecured borrowings**

Loans and advances from related party

Repayable within 15 days from the date of transfer of the Company to its successful bidder

**NOTE NO. 6 - OTHER LONG-TERM LIABILITIES**

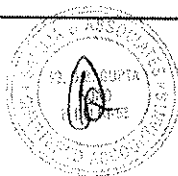
(Amount in ₹)

| Particulars  | As at March 31,<br>2018 | As at March 31,<br>2017 |
|--|-------------------------|-------------------------|
| <u>Others</u>  |                         |                         |
| Interest Accrued but not due on long-term borrowings | 39,744,829              | 33,203,487              |
| <b>TOTAL</b>   | <b>39,744,829</b>       | <b>33,203,487</b>       |

**NOTE NO. 7 - OTHER CURRENT LIABILITIES**

(Amount in ₹)

| Particulars                             | As at March 31,<br>2018 | As at March 31,<br>2017 |
|---|-------------------------|-------------------------|
| <u>Other payables</u>                   |                         |                         |
| Statutory dues (Tax deducted at Source) | 6,250                   | 6,250                   |
| Expenses Payable                        | 67,500                  | 65,625                  |
| <b>TOTAL</b>                            | <b>73,750</b>           | <b>71,875</b>           |



**COASTAL KARNATAKA POWER LIMITED**

CIN:U40102DL2006GOI146109

**Notes to the Financial Statements for the year ended March 31, 2018**

**NOTE NO. 8 - CAPITAL WORK-IN-PROGRESS**

(Amount in ₹)

| Particulars  | As at March 31, 2018 | As at March 31, 2017 |
|--|----------------------|----------------------|
| Opening Capital work-in-progress                                       | 50,042,111           | 44,030,206           |
| Add: Transferred from Expenditure During Construction Period (Note-10) | 6,794,454            | 6,011,906            |
| <b>TOTAL</b>   | <b>56,836,565</b>    | <b>50,042,111</b>    |

**NOTE NO. 9 - CASH AND CASH EQUIVALENTS**

(Amount in ₹)

| Particulars                 | As at March 31, 2018 | As at March 31, 2017 |
|-----------------------------|----------------------|----------------------|
| <u>Balances with banks:</u> |                      |                      |
| In Current Account          | 8,893                | 5,880                |
| <b>TOTAL</b>                | <b>8,893</b>         | <b>5,880</b>         |

**NOTE NO. 10 - EXPENDITURE DURING CONSTRUCTION PERIOD**

(Amount in ₹)

| Particulars                   | For the Year ended March 31,2018 | For the Year ended March 31,2017 |
|-------------------------------|----------------------------------|----------------------------------|
| <b><u>Expenses</u></b>        |                                  |                                  |
| Interest on utilised portion  | 6,541,342                        | 5,835,742                        |
| Audit Fees                    | 73,750                           | 72,188                           |
| Consultancy Charges           | 90,962                           | 68,255                           |
| Official Hospitality          | 4,810                            | 17,719                           |
| Outsourcing Exp.              | 27,832                           | -                                |
| Legal & Filing fees           | 10,630                           | 16,031                           |
| Tax On Debit Note             | 26,793                           | -                                |
| Other Administrative Expenses | 15,348                           | 1,101                            |
| Bank Charges                  | 2,987                            | 870                              |
| <b>TOTAL</b>                  | <b>6,794,454</b>                 | <b>6,011,906</b>                 |



**COASTAL KARNATAKA POWER LIMITED**  
**CIN:U40102DL2006GOI146109**

**Notes to the Financial Statements for the year ended March 31, 2018**

- 11 Pursuant to decision of Ministry of Power, Government of India, the Company is to receive Commitment Advance of ₹ 40,00,00,000/- 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. However Commitment advance is yet to be received from procurers.
- 12 As per the scheme of setting up of the project entire expenditure to be incurred by the company for project exploration and initial spade work including interest on funds deployed and professional fees of ₹ 50,00,00,000/- 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 (PFC Ltd.) consequent upon which the company along with all its assets and liabilities shall stand transferred to such bidder as per the share purchase agreement to be entered into.
- 13 The Company has agreed to pay a sum of ₹ 50,00,00,000/- plus applicable taxes to PFCL/PFCCL on account of fees for providing advisory & professional services rendered by PFCL/PFCCL. The fees for providing advisory & professional services is payable to PFCL/PFCCL 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 PFCL/PFCCL 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.
- 14 All the work for the Company are executed by PFC Consulting Ltd (PFCCL). Manpower Charges of ₹ Nil (Previous Year ₹ Nil) for manpower cost of PFCCL employees charged by PFCCL on cost to company basis/rate, as determined by PFCCL, in proportion to actual man days spent by the employees for the Company as per invoice raised by PFCCL.
- 15 The expenditures on development of the project were incurred by PFC Ltd. The Company pays interest to PFC Ltd. on the expenses incurred by them on behalf of the company. Interest so payable is capitalized under capital work-in-progress. The rate of interest charged / paid on the utilized amount of funds is as applicable in PFC Ltd. for the Project Loan/Schemes (Generation) for Borrowers under category "State Sector Borrowers (Category 'A') as determined from time to time. Total interest amounting to ₹ 65,41,342/- (Previous Year ₹ 58,35,742/-) has been accounted in the books of account. Interest has been capitalized under Capital work-in-progress. Interest payable has been shown under Other Long-term liabilities.
- 16 The expenses are mainly allocated by PFCL/PFCCL to SPVs. Direct expenditures related to SPV are allocated on 100% basis and common expenditure are allocated based on sharing of services between various SPV's. Original Supporting bills in respect of such expenditure incurred by the PFCL/PFCCL are in the name of PFCL/PFCCL and retained by them of which copies are available with the Company. PFCL/PFCCL is complying with all statutory provisions relating to the 'Deduction of tax at source and Service tax/GST etc. as applicable to these expenses.
- 17 Expenditure during Construction Period (Note-10) containing all expenses required to be capitalized has been prepared and the same has been included in Capital work-in-progress.
- 18 i) Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹. Nil. (Previous year ₹. Nil).  
ii) Contingent liabilities of the company and claims against the company not acknowledged by the company as certified by the management for the period is ₹ Nil (Previous year ₹ Nil).



**COASTAL KARNATAKA POWER LIMITED**  
**CIN:U40102DL2006GO1146109**

**Notes to the Financial Statements for the year ended March 31, 2018**

- 19 The Key Management Personnel of the Company are employees of the Power Finance Corporation Ltd (PFC Ltd.)/Holding Company & PFC Consulting Ltd (A wholly owned subsidiary of PFC Ltd.) and deployed on Part Time basis.

The details of such Key Management Personnel during the year ended March 31, 2018 are as follows:

| S. No. | Name                 | Designation | Date of Appointment | Date of Cessation |
|--------|----------------------|-------------|---------------------|-------------------|
| 1      | Shri Dhanabalan Ravi | Chairman    | 10.03.2015          | Continuing        |
| 2      | Shri Rizwanur Rahman | Director    | 08.06.2011          | 18.10.2017        |
| 3      | Shri Alok Sud        | Director    | 15.03.2016          | Continuing        |
| 4      | Shri H. K. Das       | Director    | 18.10.2017          | Continuing        |

- 20 Disclosure as per AS18 – Related Party Disclosure :-  
There are no transactions during the year with any related party (other than transactions between state controlled enterprises), as such as per Para 9 of Accounting Standard 18, the disclosures are not required.

**21 Auditors Remuneration (Including Service Tax/GST)**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|-------------|----------------------|----------------------|
|             | (₹)                  | (₹)                  |
| Audit Fees  | 73,750               | 72,188               |

- 22 In terms of Accounting Standard 20 on "Earnings per Share" prescribed under the Companies Act 2013 Earnings per share (Basic & Diluted) is worked out as follows: -

| S. No. | Particulars  | As at March 31, 2018 | As at March 31, 2017 |
|--------|--|----------------------|----------------------|
| 1      | Nominal Value of share (₹)                                   | 10                   | 10                   |
| 2      | Net Profit after tax used as numerator ₹                     | -                    | -                    |
| 3      | Weighted average number of Equity Shares used as denominator | 50,000               | 50,000               |
| 4      | Earnings per share (₹.) (Basic)                              | -                    | -                    |
| 5      | Earnings per share (₹.) (Diluted)                            | -                    | -                    |

- 23 The Company owes no dues to small-scale units at year-end and hence provision of interest does not arise. Further based on information available with the management, there are no dues payable to enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006" as follows:

| Particulars   | Amount outstanding as on |            |
|---|--------------------------|------------|
|   | 31.03.2018               | 31.03.2017 |
| The principal amount and the interest due thereon remaining unpaid to any   |                          |            |
| - Principal amount due  | -                        | -          |
| - Interest due on above   | -                        | -          |
| The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year  | -                        | -          |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | -                        | -          |
| The amount of interest accrued and remaining unpaid at the end of the year  | -                        | -          |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise                              | -                        | -          |

- 24 Since there are no employees in the company the obligation as per Accounting Standard-15 (Revised) do not arises.
- 25 Other Disclosures:-  
a. Expenditure in foreign currency – ₹. NIL (Previous year- ₹. Nil)  
b. Income in foreign exchange – ₹. NIL (Previous year- ₹. Nil)
- 26 The company has adopted period of 12 months for classification of the assets and liabilities as current and non-current.



COASTAL KARNATAKA POWER LIMITED  
CIN:U40102DL2006GOI146109

Notes to the Financial Statements for the year ended March 31, 2018

- 27 Figures have been rounded off to the nearest Rupee unless otherwise stated.
- 28 Corresponding figures for the previous year have been regrouped/rearranged wherever necessary to conform to Current year's classification.

For and on behalf of Board of Directors


  
P C Hembram  
Director  
DIN:02750881

  
Alok Sud  
Director  
DIN:02394376

  
Dhanabalan Ravi  
Chairman  
DIN:00038452

AS PER OUR REPORT OF EVEN DATE

For & on behalf of  
SALUJA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Regn. No.-000148N

  
Kamal Saihotra  
(Partner)  
M No. : 081472  
Place : New Delhi  
Date : 14.05.2018

