

**TO THE MEMBERS OF  
PFC PROJECTS LIMITED (Formerly known as Coastal Karnataka Power Limited)**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the Financial Statements of **PFC Projects Limited (Formerly known as Coastal Karnataka Power Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit/loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

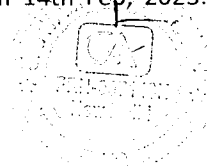
**Basis for Opinion**

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Emphasis of Matters**

We draw attention to the matter in the Note 11 of the financial statements which specifies that PFC Projects Ltd (PPL) and REC along with SJVNL & DVC (collectively called "PPL-REC consortium") with shares of 25%, 24%, 41% & 10% respectively are successful Resolution Applicants in the Corporate Insolvency Resolution Process (CIRP) under Insolvency & Bankruptcy Code 2016 of Lanco Amarkantak Power Pvt. Ltd. (LAPL). PPL-REC Consortium has submitted its acceptance to the Letter of Intent (LoI) dated 9th Jan'2023 issued by Resolution Professional (RP) of LAPL, alongwith Performance Security by way of Bank Guarantee of Rs. 100 crore in compliance of the process on 6th Feb, 2023 for which an amount of Rs. 1,41,60,000 has been incurred as bank charges. Towards procuring Performance Bank Guarantee, REC Limited had provided Letter of Comfort (LOC) dated 10<sup>th</sup> January, 2023 to ICICI Bank Limited. Accordingly, the bid process is completed and successful Resolution Plan of PPL-REC consortium is submitted by RP of LAPL for approval of NCLT, Hyderabad on 14th Feb, 2023. The finalization of MoU for consortium of PPL-REC is under process as on date.

Our opinion is not modified with respect to these matters.



### **Information other than the financial statements and auditors' report thereon**

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Financial Statements and our Auditor's Report thereon. The Company's Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of these Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

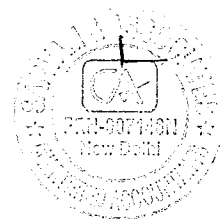
If, based on the work we have performed, we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

### **Management's and Board of Director's Responsibilities for the Financial Statements**

The Company's Management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.



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

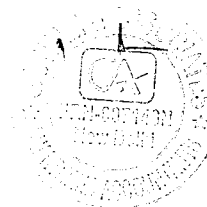
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial control with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in these Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of these Financial Statements, including the disclosures and whether these Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation

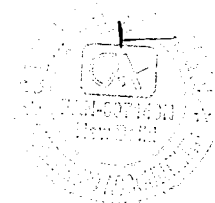
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

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



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of section 143(5) of the Act, in the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, in the "Annexure- B" on the direction and sub- direction issued by the Comptroller and Auditor- General of India.
3. (A) 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 (including other comprehensive income), the statement of changes in Equity and 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 India Accounting Standards (Ind AS) specified under Section 133 of the Act.
  - (e) On the basis of the written representation received from the directors as on 31<sup>st</sup> March, 2023 taken on records by the Boards of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure C" to this report;
- (B) 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:
  - (a) The Company does not have any pending litigation which would impact its financial position.
  - (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (d) (i) The management has represented that, to be best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed fund or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"). With the understanding, whether recorded in writing or otherwise, that the intermediary shall:



- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company.  
or
- Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding whether<sup>A</sup> recorded in writing or otherwise, that the Company shall:

- Directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company.  
or
- Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (d)(i) and (d)(ii) contain any material misstatement.

(e) The Company has not declared or paid any dividend during the year.

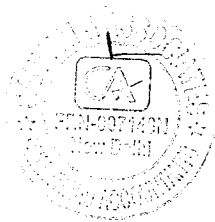
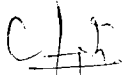
(C) With respect to the matter to be included in Auditor's Report under Section 197(16) of the Act.

In our opinion and according to the information and explanations given to us, the Company has not paid / provided any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For SARVAM & ASSOCIATES**

**Chartered Accountant**

**FRN: 007146N**



**CA Ashok Kumar Jha**

**Partner**

**M. No. 511326**

**UDIN: 23S11326 AG7XETH3093**

**Place: New Delhi**

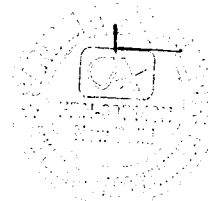
**Date: 10/08/2023**

**Annexure A to the Independent Auditor's report on the financial statement of PFC Projects Limited (Formerly known as Costal Karnataka Power Limited) for the year ended 31<sup>st</sup> March, 2023.**

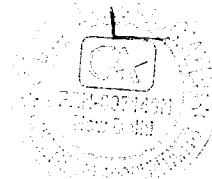
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. The Company does not have Property, Plant and Equipment and Intangible Assets, Accordingly, Clause 3(i) of the Order is not applicable.
2. The Company does not have any inventories during the year. Accordingly, Clause 3(ii) of the Order is not applicable.
3. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, Clause 3(iii) of the Order is not applicable.
4. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or made any investment or provided any guarantee or security as specified under Section 185 of the Companies act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Accordingly, Clause 3(iv) of the Order is not applicable.
5. The company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the order is not applicable.
6. According to the information and explanation 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. Accordingly, Clause 3(vi) of the Order is not applicable.
- 7
  - (a) The company is regular in depositing undisputed statutory dues including, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, goods and services tax, cess and other statutory dues applicable to it with appropriate authorities. According to the information and explanation given to us, there are no undisputed statutory dues outstanding as at 31<sup>st</sup> March, 2023 for the 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 in respect of provident fund, employees' state insurance, income-tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax, cess and other statutory dues which are outstanding as at 31<sup>st</sup> March, 2023.
8. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transaction, previously unrecorded as income in the books of accounts, in the tax assessments under the income – tax Act, 1961 as income during the year.

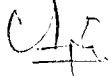


9.
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowing or in payment of interest thereon to any lender.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by the bank or financial institution or government or government authority.
  - (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the order is not applicable.
  - (d) According to the information and explanations given to us and on an overall examination of balance sheet of the Company, we report that no fund have been raised on short- term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
  - (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(e) of the Order is not applicable.
  - (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(f) of the Order is not applicable.
10.
  - (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments), Accordingly, clause 3(x)(a) of the Order is not applicable.
  - (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, Accordingly, clause 3(x)(b) of the Order is not applicable.
11.
  - (a) Based on the examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in standard of Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
  - (b) According to the information and explanations given to us, no report under sub- section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT – 4 as prescribed under Rule – 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - (c) According to the information and explanations given to us, there is no whistle blower complaint has been received by the company during the year.
12. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Clause 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

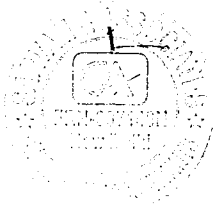


14. According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act and consequently, does not have an internal audit system. Accordingly, reporting under clause 3(xiv) of the Order is not applicable.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors as referred to in Section 192 of Companies Act, 2013. Therefore, provisions of clause (XV) of paragraph 3 of the Order are not applicable.
16. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the order is not applicable.  
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the order is not applicable.  
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the order is not applicable.  
(d) According to the information and explanation provided to us during the course of audit, the Company does not have any CIC. Accordingly, clause 3(xvi)(d) of the order is not applicable.
17. The Company has incurred cash losses of Rs.3,36,439/- in the current financial year and Rs. 74,399/- in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the order is not applicable.
19. According to the information and explanation given to us and on the basis of the financial ratio, ageing and expected dates of realization of financial liabilities and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing as the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. According to the information and explanation given to us, the Company does not fulfill the criteria as specified under 135 (1) of the Act, read with Companies (Corporate Social Responsibility Policy) Rules 2014 and accordingly, reporting under clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For SARVAM & ASSOCIATES**  
**Chartered Accountants**



**CA Ashok Kumar Jha**  
**Partner**  
**M.No. 511326**



**Place: New Delhi**

**Date: 10/08/2023**



**Annexure – B**

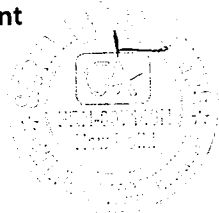
**PFC Projects Limited (Formerly known as Costal Karnataka Power Limited)**

**Replies to the Direction issued by Comptroller & Auditor General of India to the Statutory Auditors under Section 143(5) of the Companies Act, 2013 for the period ended 31<sup>st</sup> March, 2023.**

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

**For SARVAM & ASSOCIATES**  
**Chartered Accountant**  
**FRN: 007146N**

*CA Ashok Kumar Jha*



**CA Ashok Kumar Jha**  
**Partner**  
**M.No. 511326**

**Place: New Delhi**  
**Date: 10/08/2023**

## **ANNEXURE - C TO THE AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of **PFC PROJECTS LIMITED (Formerly known as Costal Karnataka Power Limited)** ("The Company") as of 31 March, 2023 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 and Board of Director 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**

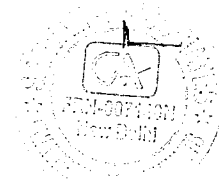
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on 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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

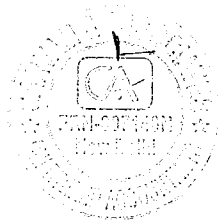
#### **Opinion**

In our opinion, 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 March, 2023, 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 SARVAM & ASSOCIATES**

**Chartered Accountant**

**FRN: 007146N**



**CA Ashok Kumar Jha**

**Partner**

**M.No. 511326**

**Place: New Delhi**

**Date: 10/08/2023**

**PFC PROJECTS LIMITED**  
(Formerly known as Coastal Karnataka Power Limited)  
(CIN:U40102DL2006GOI146109)

Annexure-A


Balance Sheet as at March 31, 2023

(₹ in Hundreds)


	Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
(I)	<b>ASSETS</b>			
(1)	<b>Non- Current Assets</b>			
	(a) Financial Assets			
	(i) Prepaid expenses	4	15,081.37	-
	<b>Total Non-current Assets</b>		<b>15,081.37</b>	<b>-</b>
(2)	<b>Current assets</b>			
	(a) Financial Assets			
	(i) Cash and cash equivalents	5	111.20	119.46
	(ii) Prepaid expenses	4	17,700.00	-
	<b>Total Current Assets</b>		<b>17,811.20</b>	<b>119.46</b>
	<b>Total assets</b>		<b>32,892.57</b>	<b>119.46</b>
(II)	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Equity</b>			
	(a) Equity Share Capital	6	5,000.00	5,000.00
	(b) Other Equity	7	(9,114.87)	(5,750.48)
	<b>Total equity</b>		<b>(4,114.87)</b>	<b>(750.48)</b>
(2)	<b>Liabilities</b>			
	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	8	132.44	132.44
	(ii) Other financial liabilities	9	36,875.00	737.50
	<b>Total current liabilities</b>		<b>37,007.44</b>	<b>869.94</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>32,892.57</b>	<b>119.46</b>


The accompanying notes 1 to 24 forms integral part of Financial Statements.

For and on behalf of Board of Directors

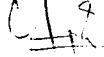
  
**Manish Kumar Agarwal**  
Company Secretary

  
**R.K. Malhotra**  
Director  
DIN:09520699

  
**P.K. Sinha**  
Director  
DIN:05262027

  
**Manoj Sharma**  
Chairman  
DIN:06822395

As per our report of even date  
For and on behalf of  
**Sarvam & Associates**  
(Chartered Accountants)  
Firm Reg. No: 007146N

  
**(Ashok Kumar Jha)**  
Partner  
M. No.: 511326

Place : New Delhi  
Date : 10/08/2023

**PFC PROJECTS LIMITED**  
(Formerly known as Coastal Karnataka Power Limited)  
(CIN:U40102DL2006GOI146109)

**Statement of Profit and Loss for the year ended March 31, 2023**

(₹ in Hundreds)

Particulars	Note No.	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Revenue from operations		-	-
Other income		-	-
<b>Total Income (I)</b>		-	-
<b>Expenses</b>			
Other expenses	10	3,364.39	743.99
<b>Total expenses (II)</b>		<b>3,364.39</b>	<b>743.99</b>
<b>Profit/(loss) before tax (I- II =III)</b>		<b>(3,364.39)</b>	<b>(743.99)</b>
Tax expense: (IV)			
Current tax		-	-
Deferred tax		-	-
<b>Net Profit /(loss) after tax (III - IV = V)</b>		<b>(3,364.39)</b>	<b>(743.99)</b>
<b>Other Comprehensive Income (VI)</b>		-	-
<b>Total Comprehensive Income for the period (V + VI =VII)</b>		<b>(3,364.39)</b>	<b>(743.99)</b>
Earnings par equity share : (VIII)			
Basic & Diluted in Rs.(Par value of Rs.10 each)	12	(6.73)	(1.49)

The accompanying notes 1 to 24 forms integral part of Financial Statements.

For and on behalf of Board of Directors

*Manish Kumar Agarwal*

**Manish Kumar Agarwal**  
Company Secretary

*R.K. Malhotra*

**R.K. Malhotra**  
Director  
DIN:09520699

*P.K. Sinha*

**P.K. Sinha**  
Director  
DIN:05262027

*Mahoj Sharma*

**Mahoj Sharma**  
Chairman  
DIN:06822395

As per our report of even date

For and on behalf of

**Sarvam & Associates**

(Chartered Accountants)

Firm Reg. No: 007146N

*Ashok Kumar Jha*

**(Ashok Kumar Jha)**  
Partner

M. No.: 511326

Place : New Delhi

Date : 10/08/2023

**PFC PROJECTS LIMITED**  
(Formerly known as Coastal Karnataka Power Limited)  
(CIN:U40102DL2006GOI146109)

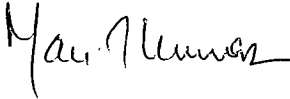
**Statement of cash flows for the year ended March 31, 2023**

(₹ in Hundreds)

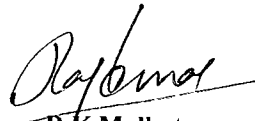
	Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>A.</b>	<b>Cash flow from operating activities:</b>		
	Net profit/(loss) before tax	(3,364.39)	(743.99)
	Adjustments	-	-
	<b>Operating Profit before Working Capital changes</b>	<b>(3,364.39)</b>	<b>(743.99)</b>
	<b>Adjustments for changes in Working Capital :</b>		
	- Increase/(decrease) other current financial liabilities	36,137.50	737.50
	- Decrease/(increase) other assets	(17,700.00)	-
	- Decrease/(increase) other current assets	(15,081.37)	-
	<b>Cash generated from operating activities</b>	<b>(8.26)</b>	<b>(6.49)</b>
	Income taxes paid	-	-
	<b>Net cash from operating activities</b>	<b>(8.26)</b>	<b>(6.49)</b>
<b>B.</b>	<b>Cash flow from Investing activities:</b>		
	Net cash from Investing activities	-	-
<b>C.</b>	<b>Cash flow from Financing Activities:</b>		
	- Increase/(decrease) in borrowings	-	-
	<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>
	<b>Net Increase/(Decrease) in cash &amp; cash equivalents(A+B+C)</b>	<b>(8.26)</b>	<b>(6.49)</b>
	<b>Opening Cash and cash equivalents</b>	119.46	132.44
	<b>Closing Cash and cash equivalents</b>	111.20	125.95
	<b>Comprising of :</b>		
	Balance with banks		
	in current accounts	111.20	119.46

The accompanying notes 1 to 24 forms integral part of Financial Statements.

For and on behalf of Board of Directors



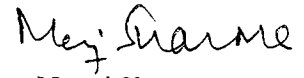
**Manish Kumar Agarwal**  
Company Secretary



**R.K. Malhotra**  
Director  
DIN:09520699



**P.K. Sinha**  
Director  
DIN:05262027



**Manoj Sharma**  
Chairman  
DIN:06822395

As per our report of even date

For and on behalf of

**Sarvam & Associates**

(Chartered Accountants)

Firm Reg. No: 007146N



**(Ashok Kumar Jha)**

Partner

M. No.: 511326

Place : New Delhi

Date : 20/08/2023

**PFC PROJECTS LIMITED**  
(Formerly known as Coastal Karnataka Power Limited)  
(CIN:U40102DL2006GOI146109)  
Statement of Changes in Equity for the year ended March 31, 2023

**A. Equity share capital**

**(1) Current reporting period (FY 2022-23)**

(₹ in Hundreds)

Balance as at 1st April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st April 2022	Changes in equity share capital during the current year	Balance at the 31st March 2023
5,000.00	-	5,000.00	-	5,000.00

**(2) Previous reporting period (FY 2021-22)**

Balance as at 1st April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st April 2021	Changes in equity share capital during the previous year	Balance at the 31st March 2022
5,000.00	-	5,000.00	-	5,000.00

**B. Other Equity**

**(1) Current reporting period (FY 2022-23)**

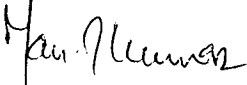
Particulars	Reserves and Surplus		Total
	Retained earnings	Others	
Balance as at 1st April 2022	(5,750.48)	-	(5,750.48)
Changes in accounting policy or prior period errors	-	-	-
Restated balance as at 1st April 2022	(5,750.48)	-	(5,750.48)
Total Comprehensive Income for the current year	(3,364.39)	-	(3,364.39)
Others	-	-	-
<b>Balance as at 31st March 2023</b>	<b>(9,114.87)</b>	<b>-</b>	<b>(9,114.87)</b>


**(2) Previous reporting period (FY 2021-22)**

Particulars	Reserves and Surplus		Total
	Retained earnings	Others	
Balance as at 1st April 2021	(5,006.49)	-	(5,006.49)
Changes in accounting policy or prior period errors	-	-	-
Restated balance as at 1st April 2021	(5,006.49)	-	(5,006.49)
Total Comprehensive Income for the previous year	(743.99)	-	(743.99)
Others	-	-	-
<b>Balance as at 31st March 2022</b>	<b>(5,750.48)</b>	<b>-</b>	<b>(5,750.48)</b>


The accompanying notes 1 to 24 forms integral part of Financial Statements.

For and on behalf of Board of Directors

  
Manish Kumar Agarwal  
Company Secretary

  
R.K. Malhotra  
Director  
DIN:09520699

  
P.K. Sinha  
Director  
DIN:05262027

  
Manoj Sharma  
Chairman  
DIN:06822395

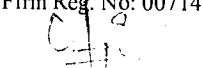
As per our report of even date

For and on behalf of

**Sarvam & Associates**

(Chartered Accountants)

Firm Reg. No: 007146N

  
(Ashok Kumar Jha)

Partner

M. No.: 511326

Place : New Delhi

Date : 20/08/2023

**PFC PROJECTS LIMITED**  
**(Formerly known as Coastal Karnataka Power Limited)**  
**CIN:U40102DL2006GOI146953**

**Notes to the Financial Statements for the year ended March 31, 2023**

**1 Corporate Information**

PFC Projects Limited ("the Company") was incorporated on February 10, 2006 under the Companies Act, 1956 in the name of "Coastal Karnataka Power Limited" 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 registered office of the Company is located at First Floor, Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi -110001. The Company was incorporated as a special purpose vehicle for establishing Ultra Mega Power Project of 4000 MW in the state of Karnataka. However during FY 2019-20 it was decided by Govt. of Karnataka and Ministry of Power, Govt. of India to close UMPP/the company vide letter dated 29.08.2019 and PFC/PFCCL was directed for taking necessary action in this regard. As per the directions of MoP, the holding company was taking necessary steps for closure of company for striking off the name of the company from records of registrar of companies. Subsequently holding company PFC has decided that the company may be used as SPV for lenders backed resolution plan etc. and thereafter the holding company has decided to continue the company and amended the main objects of the company and also name of company was changed from Coastal Karnataka Power Limited to PFC Projects Limited w.e.f. 1st July 2022.

**2 General**

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

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

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

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

**(b) Use of Estimates**

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

**3 Significant Accounting Policies**

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

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

**(b) Borrowing Cost**

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

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

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

**(d) Prior Period Expenses**

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

**(e) Cash and cash equivalents**

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

**(f) Cash Flow Statement**

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



**(g) Taxation**

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

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

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

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

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

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

i. Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

ii. Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.

iii. Contingent Assets are not recognised in the financial statements but are disclosed, where an inflow of economic benefit is probable.

iv. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

**(I) Financial instruments**

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

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

**(II) Financial assets**

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

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

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

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

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

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

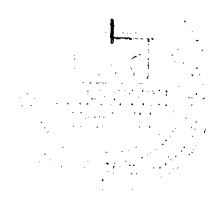
**b) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI)**

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

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

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

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



ii) **Impairment of financial assets**

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

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

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

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

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

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

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

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

(III) **Financial liabilities**

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

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

ii) De-recognition of financial liabilities

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

(j) **Earnings per share**

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

**PFC PROJECTS LIMITED**  
(Formerly known as Coastal Karnataka Power Limited)  
(CIN:U40102DL2006GOI146109)  
Notes to the Financial Statements for the year ended March 31, 2023

**4. Prepaid Expenses**

(₹ in Hundreds)

Particulars	Non- Current		Current	
	As at 31st March	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Bank Guarantee Fees (Refer Note 11)	15,081.37	-	17,700.00	-
	15,081.37	-	17,700.00	-

**5. Cash and cash equivalents**

(₹ in Hundreds)

Particulars	As at 31st March 2023	As at 31st March 2022
Balance with Banks in Current Account	111.20	119.46
	111.20	119.46

**6. Equity share capital**

(₹ in Hundreds)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Authorised share capital</b>		
50,000 equity shares of Rs 10 each (As at March 31, 2022: 50,000 equity shares of Rs 10 each)	5,000.00	5,000.00
<b>Issued, subscribed and paid up capital comprises:</b>		
50,000 equity shares of Rs 10 each fully paid up (As at March 31, 2022: 50,000 equity shares of Rs 10 each fully paid up)	5,000.00	5,000.00
	<b>5,000.00</b>	<b>5,000.00</b>

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

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number of shares held	Amount	Number of shares held	Amount
Shares outstanding at the beginning of the year	50,000	5,000.00	50,000	5,000.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	5,000.00	50,000	5,000.00

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

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

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

Particulars	No. of Shares	Amount
<b>As at March 31, 2023</b>		
Power Finance Corporation Limited*	50,000	5,000.00
<b>As at 31st March 2022</b>		
Power Finance Corporation Limited*	50,000	5,000.00

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

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number of shares held	%	Number of shares held	%
<b>Fully paid up equity shares</b>				
Power Finance Corporation Limited, the Holding Company*	50,000	100%	50,000	100%

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

**(v) Details of shareholding of Promoters:**

Shares held by promoters at the end of the year			% change during the year
Promoter name	Number of shares	% of total shares	
<b>As at 31.03.2023</b>			
Power Finance Corporation Limited, the Holding Company	49,300	98.60%	-
Nominees of Power Finance Corporation Limited	700	1.40%	-
<b>As at 31.03.2022</b>			
Power Finance Corporation Limited, the Holding Company	49,300	98.60%	-
Nominees of Power Finance Corporation Limited	700	1.40%	-

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

**PFC PROJECTS LIMITED**  
(Formerly known as Coastal Karnataka Power Limited)  
(CIN:U40102DL2006GOI146109)  
Notes to the Financial Statements for the year ended March 31, 2023

**7. Other equity**

(₹ in Hundreds)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Retained earnings</b>		
Balance at the beginning of the year	(5,750.48)	(5,006.49)
Add: Total comprehensive income for the year	(3,364.39)	(743.99)
<b>Balance at the end of the year</b>	<b>(9,114.87)</b>	<b>(5,750.48)</b>

**8. Borrowings**

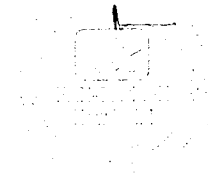
(₹ in Hundreds)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured (carried at amortised cost)</b>		
Loans from related parties - PFC Ltd.	132.44	132.44
	<b>132.44</b>	<b>132.44</b>

**9. Other financial liabilities (Current)**

(₹ in Hundreds)

Particulars	As at 31st March 2023	As at 31st March 2022
Expenses payable	1,475.00	737.50
Payable to PFC Ltd	35,400.00	-
	<b>36,875.00</b>	<b>737.50</b>



## 10. Other expenses

(₹ in Hundreds)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Bank charges	8.26	6.49
Audit Fees	737.50	737.50
Bank guarantee charges (Refer Note 11)	2,618.63	-
<b>Total expenses</b>	<b>3,364.39</b>	<b>743.99</b>

11. PFC Projects Ltd (PPL) and REC along with SJVNL & DVC (collectively called "PPL-REC consortium") with shares of 25%, 24%, 41% & 10% respectively are successful Resolution Applicants in the Corporate Insolvency Resolution Process (CIRP) under Insolvency & Bankruptcy Code 2016 of Lanco Amarkantak Power Pvt. Ltd.(LAPL). PPL-REC Consortium has submitted its acceptance to the Letter of Intent (LoI) dated 9th Jan'2023 issued by Resolution Professional (RP) of LAPL, alongwith Performance Security by way of Bank Guarantee of Rs. 100 crore in compliance of the process on 6th Feb'2023 for which an amount of Rs.1,41,60,000 has been incurred as bank charges. Towards procuring Performance Bank Guarantee REC had provided Letter of Comfort (LOC) dated 10th January, 2023 to ICICI Bank Limited. Accordingly, the bid process is completed and successful Resolution Plan of PPL-REC consortium is submitted by RP of LAPL for approval of NCLT, Hyderabad on 14th Feb'2023. The documentation of MoU amongst consortium partners is under process as on 31st March, 2023.

PPL 25% share in Bank guarantee charges worksout to Rs.35,40,000/- which was accounted under other expenses (Rs.2,61,863/-) ( Refer Note 10) & Prepaid Expense (Rs.32,78,317/-) ( Refer Note 4 ).

## 12. Earnings per share

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>Basic and diluted Earning Per Share</b>		
Face value per Equity Share	10	10
Net Profit / (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	(3,364.39)	(743.99)
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	50,000	50,000
<b>Basic and diluted Earning Per Share</b>	<b>(6.73)</b>	<b>(1.49)</b>
There are no dilutive instruments issued by the company.		

**PFC PROJECTS LIMITED**  
**(Formerly known as Coastal Karnataka Power Limited)**  
**(CIN:U40102DL2006GOI146109)**  
**Notes to the Financial Statements for the year ended March 31, 2023**

**13 Financial Instruments**

**(I) Capital Management**

The Company manages its capital to ensure that it will be able to meet the expenses. The capital structure of the Company consists of equity and debt from its holding company. The Company is not subject to any externally imposed capital requirements. The Company's Board reviews the capital structure of the Company on need basis.

**(i) Categories of financial instruments**

(₹ in Hundreds)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Financial Assets:</b>		
Measured at amortised cost		
(a) Cash and cash equivalents	111.20	119.46
<b>Financial Liabilities:</b>		
Measured at amortised cost		
(a) Borrowings	132.44	132.44
(b) Other financial liabilities	36,875.00	737.50

**(ii) Financial Risk Management Objectives**

The Company's financial liabilities comprise of borrowings. The Company's financial assets comprise mainly of cash and cash equivalents. The Company is exposed to credit risk and liquidity risk.

The Company's management monitors and manages the financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. Since the entire operations of the company are in India, the currency risk is not applicable to the company.

**(iii) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. The Company has no exposure from the international market as the Company operations are in India only. Financial instruments affected by interest rate risk includes borrowings. The Company is not exposed to other price risk.

Market risk exposures are measured using sensitivity analysis.

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

**(iv) Interest Rate Risk Management**

The Company is not exposed to interest rate risk because it is having interest free funds from its holding company.

**(v) Interest Rate Sensitivity Analysis**

The sensitivity analysis below have been determined based on the exposure to interest rates at the end of the financial year. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the financial year was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Sensitivity analysis for a 50 basis points fluctuation in interest and all other variables were held constant is explained below:

(₹ in Hundreds)

Particulars	Year ended March 31,2023	Year ended March 31,2022
Impact for Profit or (Loss)	-	-
Impact for Other comprehensive income	-	-

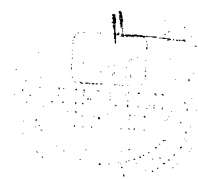
**(vi) Other price risks**

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

**(vii) Credit Risk Management**

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

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



**PFC PROJECTS LIMITED**  
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**(CIN:U40102DL2006GOI146109)**

**Notes to the Financial Statements for the year ended March 31, 2023**

**13 Financial Instruments**

**(viii) Liquidity risk management**

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

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2023: -

(₹ in Hundreds)

Particulars	Carrying amount	Due in 1st year	Due in 2-5 year	Due in More Than 5 years	Due Date not specified	Total contracted cash flows
<b>Financial Liabilities</b>						
Borrowings	132.44	132.44	-	-	-	132.44
Other financial liabilities	36,875.00	36,875.00	-	-	-	36,875.00

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2022: -

(₹ in Hundreds)

Particulars	Carrying amount	Due in 1st year	Due in 2-5 year	Due in More Than 5 years	Due Date not specified	Total contracted cash flows
<b>Financial Liabilities</b>						
Borrowings	132.44	132.44	-	-	-	132.44
Other financial liabilities	737.50	737.50	-	-	-	737.50

**(viii) Fair value hierarchy**

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3	Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Note: The Company does not have the financial assets and financial liabilities that are measured at fair value on a recurring basis.



**PFC PROJECTS LIMITED**

(Formerly known as Coastal Karnataka Power Limited)

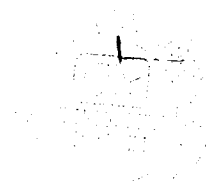
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Notes to the Financial Statements for the year ended March 31, 2023

**14 STATEMENT OF TRANSACTIONS WITH RELATED PARTIES**

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

<b>Holding Company</b>			
1	Power Finance Corporation Limited (PFCL)		
<b>Fellow Subsidiary</b>			
1	PFC Consulting Limited (PFCCCL)	2	REC Limited (RECL) (formerly Rural Electrification Corporation Limited))
3	REC Power Development and Consultancy Limited (Formely REC Power Distribution Company Limited)		
<b>Associate of PFCL</b>			
1	Coastal Maharashtra Mega Power Limited (through PFCL) [struck off from records of registrar of companies on 29.09.2022]	2	Sakhigopal Integrated Power Company Limited (through PFCL)
3	Ghogarpalli Integrated Power Company Limited (through PFCL)	4	Jharkhand Infrapower Limited (through PFCL)
5	Orissa Integrated Power Limited (through PFCL)	6	Deoghar Mega Power Limited (through PFCL)
7	Tatiya Andhra Mega Power Limited (through PFCL) [struck off from records of registrar of companies on 27.09.2022]	8	Coastal Tamil Nadu Power Limited (through PFCL)
9	Deoghar Infra Limited (through PFCL)	10	Odisha Infrapower Limited (through PFCL)
11	Bihar Infrapower Limited (through PFCL)	12	Bihar Mega Power Limited (through PFCL)
13	Chhattisgarh Surguja Power Limited (through PFCL) [struck off from records of registrar of companies on 11.01.2023]	14	Cheyur Infra Limited (through PFCL)
<b>Associate of Fellow Subsidiary PFCCCL</b>			
1	Mohanlalganj Transmission Limited (transferred on 30.05.2022)	2	Chhatarpur Transmission Limited
3	Shongtong Karcham-Wangtoo Transmission Limited (Striked off from the records of Registrar of Companies on 13.01.2023)	4	Bijawar-Vidarbha Transmission Limited (under process of striking off the name from the records of Registrar of Companies)
5	Bhadla Sikar Transmission Limited (transferred on 28.03.2023)	6	Tanda Transmission Company Limited (Striked off from the records of Registrar of Companies on 13.01.2023)
7	Fatehgarh III Beawar Transmission Limited (incorporated on 05.05.2022)	8	Ananthpuram Kurnool Transmission Limited
9	Siot Transmission Limited (incorporated on 27.04.2022)	10	Khetri-Narela Transmission Limited (transferred on 11.05.2022)
11	Bhadla III Transmission Limited (incorporated on 27.05.2022)	12	Kishtwar Transmission Limited (transferred on 06.12.2022)
13	Dharamjaigarh Transmission Limited (incorporated on 18.11.2022 and transferred on 28.03.2023)	14	Beawar Dausa Transmission Limited (incorporated on 06.05.2022)
15	Khandukhal Rampura Transmission Limited (incorporated on 13.05.2022 and transferred on 07.10.2022)	16	Fatehgarh III Transmission Limited (incorporated on 18.05.2022)
17	Raipur Pool Dhamtari Transmission Limited (incorporated on 18.11.2022 and transferred on 28.03.2023)	18	Fatehgarh IV Transmission Limited (incorporated on 08.06.2022)





**Associate of Fellow Subsidiary RECL**

1	Dumka Transmission Limited	2	Chandil Transmission Limited
3	Koderma Transmission Limited	4	Bidar Transmission Limited
5	Mandar Transmission Limited	6	Beawar Transmission Limited (incorporated on 27.04.2022)
7	Ramgarh II Transmission Limited (incorporated on 20.04.2022)	8	Luhri Power Transmission Limited (incorporated on 28.10.2022)
9	Sikar Khetri Transmission Limited (incorporated on 06.05.2022)	10	NERES XVI Power Transmission Limited (incorporated on 10.01.2023)
11	Meerut Shamli Power Transmission Limited (incorporated on 14.12.2022)	12	Rajgarh Transmission Limited (transferred on 30.05.2022)
13	Khavda II-D Transmission Limited (incorporated on 25.04.2022 and under the process of striking off the name of Company from the records of Registrar of Companies)	14	ER NER Transmission Limited (transferred on 10.10.2022)
15	Neemuch Transmission Limited (incorporated on 12.04.2022 and transferred on 24.08.2022)	16	MP Power Transmission Package-I Limited (transferred on 21.01.2023)
17	WRSR Power Transmission Ltd.(incorporated on 22.09.2022 and transferred on 17.01.2023)	18	Khavda II-C Transmission Limited (incorporated on 22.04.2022 and transferred on 21.03.2023)
19	Khavda II-B Transmission Limited (incorporated on 21.04.2022 and transferred on 21.03.2023)	20	Khavda RE Transmission Limited (incorporated on 02.05.2022 and transferred on 21.03.2023)
21	KPS3 Transmission Limited(incorporated on 29.04.2022 and transferred on 21.03.2023)	22	ERSR Power Transmission Ltd.(incorporated on 27.09.2022 and transferred on 21.03.2023)
23	KPS2 Transmission Limited(incorporated on 04.05.2022 and transferred on 21.03.2023)	24	KPSI Transmission Limited(incorporated on 06.05.2022 and transferred on 20.04.2023)
25	Khavda II-A Transmission Limited(incorporated on 19.04.2022 and transferred on 28.03.2023)	26	GADAG II-A Transmission Limited(transferred on 18.11.2022)

**Key Managerial Persons (KMP)\*\***

S. No.	Name	Designation	Date of appointment	Date of cessation
1	Shri Manoj Sharma	Chairman	08.02.2022	Continuing
2	Shri P.K. Sinha	Director	08.02.2022	Continuing
3	Shri R. K Malhotra	Director	01.08.2022	Continuing
4	Shri Manish Kumar Agarwal	CS	10.08.2023	Continuing

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

**14.2 Details of Transactions:**

**14.2.1 Transactions with Related Party:**

(₹ in Hundreds)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Expenses paid by holding company	35,400.00	-

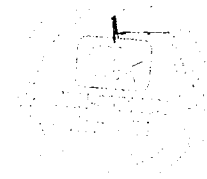
**14.2.2 Outstanding balances with Related Party:**

(₹ in Hundreds)

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings- PFC Ltd	132.44	132.44
Payable to PFC Ltd	35,400.00	-

**14.2.3 Compensation of Key Management Personnel:**

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



**PFC PROJECTS LIMITED**  
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**15 Employee benefit plans**

Since there are no employees in the company, the obligation as per Ind AS- 19 do not arises.

**16 Commitments:**

(₹ in Hundreds)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Estimated amounts of contracts remaining to be executed on capital account, and not provided for (net of advances):	-	-
(b) Other commitments	-	-

**17 Contingent Liabilities and Contingent assets**

(₹ in Hundreds)

Particulars	As at March 31, 2023	As at March 31, 2022
Contingent liabilities of the company and claims against the company not acknowledged by the company as certified by the management for the period	-	-
Further, No contingent assets and contingent gains are probable to the company.	-	-

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

(₹ in Hundreds)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting period	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act 2006	-	-
(d) the amount of interest accrued and remaining unpaid at the end of accounting period	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act 2006	-	-

**19 Auditors Remuneration**

(₹ in Hundreds)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Statutory Audit Fees (including GST)*	737.50	737.50

**20 Segment Information**

The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company. The Company has not carried out any business activities during the year, therefore, there is no separate reportable segment for the Company as per the requirement of Ind AS 108 "Operating Segments".

**21 Ratios**

Details of ratios are as under: -

Ratio	Numerator	Denominator	31.03.2023	31.03.2022	Variance %
(a) Current Ratio*	Current Assets	Current Liabilities	0.48	0.14	243.78
(b) Debt-Equity Ratio**	Total Debt	Shareholder's Equity	-0.03	-0.18	-81.76

\* variance is due to increase in current liabilities.

\*\* variance is due to reduction in equity value.

Other ratios are not applicable to the company.

**PFC PROJECTS LIMITED**  
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(CIN:U40102DL2006GOI146109)

**22 Other Disclosures:**

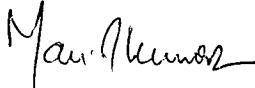
- (a) Expenditure in foreign currency- NIL  
(b) Income in foreign exchange- NIL


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


**24 Approval of financial statements**


The Financial Statements for the year ended 31st March 2023 were approved by the Board of Directors and authorised for issue on.....

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


  
**Manish Kumar Agarwal**  
Company Secretary

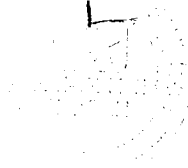
  
**R.K. Malhotra**  
Director  
DIN:09520699

  
**P.K. Sinha**  
Director  
DIN:05262027

  
**Manoj Sharma**  
Chairman  
DIN:06822395

As per our report of even date  
For and on behalf of  
**Sarvam & Associates**  
(Chartered Accountants)  
Firm Reg. No: 007146N

  
**(Ashok Kumar Jha)**  
Partner  
M. No.: 511326



Place : New Delhi  
Date : 10/08/2023