

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KAUSHALYA ENERGY PRIVATE LIMITED REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Standalone Financial Statements of KAUSHALYA ENERGY PRIVATE LIMITED ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ('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, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

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

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Standalone Financial Statements and our auditors' report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most

significance in the audit of the Standalone Financial Statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order;
2. As required by Section 143(3) of the Act, we report that:
 - A) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - B) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - C) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - D) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - E) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - G) The managerial remuneration for the year ended March 31, 2020 has not been provided by the Company to its directors and hence provisions of section 197 read with Schedule V to the Act is not applicable;
 - H) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 13 to the Standalone Financial Statements;
 - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Monu Jain & Company

Firm Regn. No. 327900E
Chartered Accountants

Monu Jain
Partner
Membership No. 302721
Place: Kolkata
Date: The 27th July, 2020.

Annexure 1

To the Independent Auditor's Report of even date on the Standalone Financial Statements of KAUSHALYA ENERGY PRIVATE LIMITED.

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

- (i) The Company does not have any fixed assets. Hence this clause is not applicable.
- (ii) The Company does not have any inventory. Hence this clause is not applicable.
- (iii) The Company has not granted unsecured loan to companies covered in the register maintained under section 189 of the Act.
- (iv) According to the information and explanations given to us, in our opinion, in respect of loans, investment, guarantees and security, provisions of section 185 and 186 of the Act have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) In our opinion and according to the information and explanation given to us, in respect of goods produced by the company, maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Services tax, Service tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues applicable to it.

(b) According to the information and explanations provided to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales Tax, Goods and Service tax, Service tax, Duty of custom, Duty of excise, Value added tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there is no amount disputed in respect of Income –Tax, Value Added Tax, Sales Tax, Excise Duty, Custom duty, Service Tax and Cess.
- (viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in re-payment of loan & borrowings dues to a financial institution, bank, Government or dues to debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer (including debt instrument) during the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations provided by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations provided by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures
- (xv) During the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- (xvi) According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvii) According to the information and explanations provided to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Monu Jain

Partner

Membership No. 302721

Place: Kolkata

Date: The 27th July, 2020.

Annexure 2

To the Independent Auditor's Report of even Date on the Standalone Financial Statements of KAUSHALYA ENERGY PRIVATE LIMITED

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 KAUSHALYA ENERGY PRIVATE LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone 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. 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these standalone financial statements 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements 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, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls system over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, 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 Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Monu Jain

Partner

Membership No. 302721

Place: Kolkata

Date: The 27th July, 2020.

KAUSHALYA ENERGY PRIVATE LIMITED
Balance Sheet as at 31st March 2020

		Rs. in lakhs	
	Notes	As at 31.03.2020	As at 31.03.2019
(I) ASSETS			
(1) Non-current assets			
(a) Investments			
(i) Investments in subsidiaries	04	0.99	0.99
(b) Deferred tax asset	05	0.92	1.42
		1.91	2.41
(2) Current Assets			
(a) Financial assets			
(i) Cash and cash equivalents	06	1.00	1.18
		1.00	1.18
TOTAL ASSETS		2.91	3.59
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	07	10.00	10.00
(b) Other equity	08	(8.03)	(7.34)
		1.97	2.66
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	09		
- Total outstanding dues to micro enterprises and small enterprises			
- Total outstanding dues of creditors other than micro enterprises and small enterprises		0.94	0.93
		0.94	0.93
TOTAL EQUITY AND LIABILITIES		2.91	3.59

See accompanying notes forming part of the financial statements

As per terms of our report attached

For and on behalf of the Board of Directors

For Monu Jain & Company
Firm Regn. No. 327900E
Chartered Accountants

Prashant Mehra
Director

Monu Jain
Partner
Membership No. 302721

Kartik Mehra
Director

Place: Kolkata

Date: 27th July, 2020

KAUSHALYA ENERGY PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March 2020

	Notes	For the year ended 31.03.2020	Rs. in lakhs For the year ended 31.03.2019
(1) Revenue from operations		-	-
(2) Total Income		-	-
(3) EXPENSES			
(a) Other expenses	10	0.19	0.24
Total Expenses (3)		0.19	0.24
(4) Profit/(loss) before tax (2) - (3)		(0.19)	(0.24)
(5) Tax Expense			
(a) Current tax			
(b) Deferred tax credit		0.50	(1.42)
Total tax expense (6)		0.50	(1.42)
(6) Profit/ (loss) for the year (5) - (6)		(0.69)	1.18
(7) Other comprehensive income			
Total other comprehensive income/ (loss), net of tax		-	-
(8) Total comprehensive income for the year (6)+(7)		(0.69)	1.18
(9) Earnings per equity share (In Rs.): (Face value of share: Rs 10 each)	11		
(a) Basic		(0.69)	1.18
(b) Diluted		(0.69)	1.18

See accompanying notes forming part of the financial statements

As per terms of our report attached

For and on behalf of the Board of Directors

For Monu Jain & Company
Firm Regn. No. 327900E
Chartered Accountants

Prashant Mehra
Director

Monu Jain
Partner
Membership No. 302721

Kartik Mehra
Director

Place: Kolkata

Date: 27th July, 2020

		Rs. in lakhs
	For the year ended 31.03.2020	For the year ended 31.03.2019
A. Cash Flow from Operating activities:		
Loss before tax	(0.19)	(0.24)
Operating profit before working capital changes	(0.19)	(0.24)
<i>Adjustments for changes in operating assets and liabilities</i>		
Trade Payables	0.01	0.15
Cash generated from/ (used in) operations	(0.18)	(0.09)
Direct taxes paid	-	-
Net cash used in operating activities	(0.18)	(0.09)
B. Cash Flow from Investing activities:	-	-
Net cash from investing activities	-	-
C. Cash Flow from Financing activities:	-	-
Net cash from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(0.18)	(0.09)
Cash and cash equivalents at the beginning of the year	1.18	1.27
Cash and cash equivalents at the end of the year	1.00	1.18

See accompanying notes forming part of the financial statements

1. Cash and cash equivalents represents cash and balances with banks. (Refer Note. 06)
2. Figures in brackets represent outflows.

As per terms of our report attached

For and on behalf of the Board of Directors

For Monu Jain & Company
Firm Regn. No. 327900E
Chartered Accountants

Prashant Mehra
Director

Monu Jain
Partner
Membership No. 302721

Kartik Mehra
Director

Place: Kolkata

Date: 27th July, 2020

KAUSHALYA ENERGY PRIVATE LIMITED**Statement of Changes in Equity for the year ended 31st March, 2020****A. Equity Share Capital****Rs. in lakhs**

Particulars	Amount
Balance as at April 1, 2018	10.00
Changes in equity share capital during the year	-
Balance as at March 31, 2019	10.00
Changes in equity share capital during the year	-
Balance as at March 31, 2020	10.00

B. Other Equity**Rs. in lakhs**

Particulars	Retained Earnings
Balance at April 1, 2018	(8.52)
Profit/ (loss) for the year	1.18
Balance at March 31, 2019	(7.34)
Profit/ (loss) for the year	(0.69)
Balance at March 31, 2020	(8.03)

See accompanying notes forming part of the financial statements

As per terms of our report attached

For and on behalf of the Board of Directors

For Monu Jain & Company**Firm Regn. No. 327900E****Chartered Accountants****Prashant Mehra****Director****Monu Jain****Partner****Membership No. 302721****Kartik Mehra****Director**

Place: Kolkata

Date: 27th July, 2020

1. General corporate information

Kaushalya Energy Private Limited is a Private limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is an subsidiary company of M/s Kaushalya Infrastructure Development Corporation Limited. The shares are not listed on any Stock Exchange in India. The Company has been incorporated with the object of generation and distribution of power. The Company carries on its business in domestic markets only.

Currently, the Company's services are limited to domestic markets only.

2. Application of new and revised Ind As

Ind ASs notified and effective from April 1, 2019

The following Ind AS has become effective from April 1, 2019:

- a. Ind AS 116 – Leases
- b. Amendments to Ind AS 12 – Income Taxes
- c. Amendments to Ind AS 19 – Employee Benefits
- d. Amendments to Ind AS 28 – Investments in Associates and Joint Ventures
- e. Amendments to Ind AS 109 – Financial Instruments

The Company had to change its accounting policies as a result of adopting Ind AS 116 - Leases, did not have any significant impact. Other amendments listed above did not have any impact on the amounts recognized in the prior periods and are not expected to significant affect the current and future period.

3. Summary of significant accounting policies

3.01 Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 ('the Act'), as applicable.

3.02 Basis of preparation and presentation

This is the separate financial statement presented as per requirement of Ind AS 27 – Separate Financial Statements, those presented by a parent.

These separate financial statements of the Company are prepared under the historical cost except for certain financial instruments that are measured at fair value at end of each reporting period. Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In these separate financial statements, the fair value for measurement and/or disclosure purpose is determined on such basis except for leasing transactions that are within the scope of Ind AS 17 – Leases / Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of assets.

In addition, for financial reporting purposes, fair value measurements are categorized in to Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division II of Schedule III to the Companies Act, 2013. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 – Statement of Cash Flows. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Companies Act, 2013 are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Indian Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

3.03 Use of Estimates

The preparation of separate financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the separate financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

3.04 Revenue recognition

The Company has following major sources of revenue:

- a. Construction activities
- b. Other services / activities

Revenue is measured based on the consideration to the which the Company expects to be entitled to in a contract with customer and excludes amounts collected on behalf of third parties (e.g. goods and services tax). The Company

3.04.01 Construction activities

Construction activities includes long-term contracts for construction of infrastructure facilities or projects priced on a time and material basis etc. Revenues from construction activities are recognised over time using percentage of completion method. Such percentage of completion is determined as a proportion of the cost incurred for work performed to date relative to the total estimated contract costs.

3.04.02 Hotel Operations

Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and other services which is recognised once the rooms are occupied, food and beverages are sold and other services have been provided as per the contract with the customer.

3.04.03 Other services / activities

Revenues from consultancy services are recognized overtime when such services are performed.

3.04.04 Other Income

Interest: Interest income is recognized on time proportion basis taking into account the amount outstanding and the effective interest rate applicable.

3.05 Employee Benefits

3.05.01 Short-term benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

3.05.02 Defined retirement benefits

The cost of providing defined benefit retirement benefits are determined using the projected unit credit method. The Company provides gratuity benefits to its employees. Gratuity liabilities are not funded. Remeasurements, comprising actuarial gains and losses, return on plan assets excluding amounts included in net interest on the net benefit liability (asset) and any change in the effect of the asset ceiling (if applicable) are recognised in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the comprehensive income are not reclassified to profit and loss but recognised directly in the retained earnings. Past service costs are recognised in profit and loss in the period in which the amendment to plan occurs. Net interest is calculated by applying the discount rate to the net defined liability or asset at the beginning of the period, taking into account of any changes in the net defined benefit liability(asset) during the period as a result of contribution and benefit payments.

Defined benefit costs which are recognised in profit and loss are categorised as follows

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); and
- net interest expense or income; and

The retirement benefit obligation recognised in the separate financial statements represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

The liability for termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

3.06 Taxation

i). Current tax

Current tax is the amount of tax payable on the taxable profit for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'Profit Before Tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii). Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of an intangible asset. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

iii). Minimum alternate tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is recognised as an asset in the balance sheet when there is convincing evidence that the Company will pay normal income tax during the specified period and it is probable that future economic benefit associated with it will flow to the Company.

iv). Current tax and deferred tax

Current tax and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively. The current and deferred tax arising from the initial accounting for business combination, are included in the accounting for the business combination.

3.07 Property, Plant and equipment

Land, buildings, Plant and equipment, Furniture and Fixtures, Vehicles, Office equipments held for use in the operations, or for administrative purposes are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. Cost includes purchase cost of materials, including import duties and non-refundable taxes, any directly attributable costs of bringing an asset to the location and condition of its intended use and borrowing costs capitalised in accordance with the Company's accounting policy.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over the useful lives, using the straight-line method. Depreciation of assets commences when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes is accounted as change in estimate on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

Upto March 31, 2019, assets acquired under finance leases are depreciated over their expected useful lives on the same basis as owned asset. When there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Estimated useful lives of the assets are as follows:

Buildings	: 30 to 60 years
Plant and equipment	: 3 to 15 years
Furniture and Fixtures	: 10 years
Office Equipments	: 3 to 5 years
Computers	: 3 years
Motor Vehicles	: 5 to 8 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit and loss.

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.08 Borrowing Costs

Borrowing cost attributable to the acquisition of qualifying assets is added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognized as expenses in the period in which these are

3.09 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets (Other than goodwill) to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss.

When an impairment loss subsequently reverses, the carrying value of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. Any reversal of an impairment loss is recognised immediately in profit and loss.

3.10 Inventories

Raw materials, stores and spares, finished goods, other construction materials and fuel are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price, non-refundable taxes and duties and other directly attributable costs incurred in bringing the goods/services to the point of sale. Work-in-progress is valued at cost.

3.11 Provisions, Contingent liabilities and Contingent assets

3.11.01 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, 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 a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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.

3.11.02 Onerous contracts

An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Present obligation arising under onerous contracts are recognised and measured as provisions.

3.11.03 Contingent liabilities and assets

Contingent liability is a possible obligation that arises from past events and the existence of which will be

3.12 Leases

Upto March 31, 2019

Assets taken on lease by the Company had substantially all the risks and rewards of ownership are classified as Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The Group's significant operating leasing arrangements are for premises (office, residence etc.). The leasing arrangements which normally have a tenure of eleven months to three years are

With effect from April 1, 2019

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (leases with a lease term of 12 months or less) and leases of low value assets. For short term leases and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Lease payments are allocated between the principal and finance cost. The finance cost is charged in the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated on straight-line basis over the period of lease term and useful life of the underlying asset, whichever is lower. If a lease transfers ownership of the underlying asset or where it is reasonably certain that the Group will exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

3.13 Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are initially recognised and subsequently measured at cost less impairment loss, if any.

3.14 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit and loss.

3.15 Financial assets

All purchases or sales of financial assets which require delivery of assets within the time frame established by regulation or convention in the market place are recognised and derecognised on a trade date basis. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value,

3.15.01 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for

- 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 instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit and loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Interest income is recognised in profit and loss for Fair value through other comprehensive income (FVTOCI) debt instruments. For the purpose of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus exchange differences on the amortised cost are recognised in profit and loss and other changes in the fair value of FVTOCI financial assets in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit and loss.

All other financial assets are subsequently measured at fair value.

3.15.02 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognised on effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in Statement of Profit and Loss and is included in the "Other income" line item.

3.15.03 Investments in equity instruments at FVTOCI

On initial recognition, the Company make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in the fair value of investments in equity instruments (other than investments held for trading) in other comprehensive income. These instruments are initially measured at fair value plus transaction costs. Subsequently they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for Equity through other comprehensive income'. On disposal of these investments the cumulative gain or loss is nor reclassified to profit and loss.

Dividends on these investments in equity instruments are recognised in profit and loss when the Company's right to receive dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends are included as part of 'Other income' in the Statement of Profit and Loss.

3.15.04 Financial assets at fair value through profit and loss (FVTPL)

Financial assets which meets the criteria of financial assets held for trading are designated as 'Financial Assets at FVTPL'. The Company has derivatives that are not designated and effective as a hedge instrument which are designated as 'Financial Assets at FVTPL'. Financial assets at FVTPL are measured at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Statement Profit and Loss.

3.15.05 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on trade receivables, other contractual rights to receive cash or other financial instruments. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risks on that financial instrument has increased significantly since initial recognition. If the credit risk on financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses.

If the Company measures the loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risks has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12 month expected credit losses.

For trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures loss allowance at an equal to life time expected credit losses. For the purpose of measuring lifetime expected credit loss allowance for trade receivables the Company has used practical expedient as permitted under Ind AS 109. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

3.15.06 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flow 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. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of financial asset in its entirety, the difference between the asset's carrying amounts 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 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.

3.16 Financial liabilities and equity instruments

3.16.01 Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchases of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.16.02 Financial liabilities

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss. The net gain or loss recognised in profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

3.16.03 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.16.04 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement Profit and Loss.

3.17 Joint Venture Operations

In respect of contracts executed in Integrated Joint Ventures under profit sharing arrangement (assessed as AOP under Income tax laws), the services rendered to the Joint Ventures are accounted as income on accrual basis.

The profit / loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the Joint Venture is reflected as investments, loans and advances or current liabilities.

3.18 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 36 months for real estate & infrastructure projects and 12 months for others for the purpose of classification of its assets and liabilities as current and non-current.

3.19 Rounding Off

The financial statements have been prepared in Indian Rupees (Rs) rounded off to two nearest decimal places in lakhs unless otherwise stated.

	Amount Face value (Rs.)	As at 31.03.2020		As at 31.03.2019	
		Qty	Amount	Qty	Amount
		Nos.	Rs. in lakhs	Nos.	Rs. in lakhs
04. Non-current investments					
(A). Investments in subsidiaries (carried at Cost)					
Unquoted Investments (fully paid up)					
Azur Solar KDC Private Limited	10 Each	9,900	0.99	9,900	0.99
		<u>9,900.00</u>	<u>0.99</u>	<u>9,900</u>	<u>0.99</u>
Aggregate amount of unquoted investments			<u>0.99</u>		<u>0.99</u>
05. Deferred tax asset					
Deferred tax on brought forward losses as per income tax (refer 05.01 below)			<u>0.92</u>		<u>1.42</u>
Total deferred tax asset			<u>0.92</u>		<u>1.42</u>
05.01 Details of deferred tax assets as per income tax					
Brought forward losses as per income tax			<u>3.55</u>		<u>5.45</u>
Tax Rate			<u>26%</u>		<u>26%</u>
Deferred tax credit/ (charge) for the year			<u>(0.50)</u>		<u>1.42</u>
Deferred tax asset at the end of the year			<u>0.92</u>		<u>1.42</u>
06. Cash and cash equivalents					
(a). Cash and cash equivalents					
(i). Cash in hand			<u>0.83</u>		<u>1.00</u>
(ii). Balances with banks					
In current accounts			<u>0.17</u>		<u>0.18</u>
Total cash and cash equivalents			<u>1.00</u>		<u>1.18</u>

07. Share capital

	As at 31.03.2020 Rs. in lakhs	As at 31.03.2019 Rs. in lakhs
Authorised:		
100,000 Equity Shares of Rs. 10 each (as at March 31, 2019 : 100,000 Equity shares of Rs.10 each)	10.00	10.00
	10.00	10.00
Issued, Subscribed and fully paid up:		
1,00,000 Equity Shares of Rs. 10 each (as at March 31, 2019 : 100,000 Equity shares of Rs.10 each)	10.00	10.00
	10.00	10.00

Reconciliation of Number of shares and amount outstanding at the beginning and end of the reporting period

	For the year ended 31.03.2020		For the year ended 31.03.2019	
	No. of Shares	Amount Rs. in lakhs	No. of Shares	Amount Rs. in lakhs
Equity shares				
Issued, subscribed and fully paid up:				
At beginning & end of the year	1,00,000	10.00	1,00,000	10.00
At end of the year	1,00,000	10.00	1,00,000	10.00

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	%	No. of Shares	%
Kaushalya Infrastructure Development Corporation Limited	95,500	95.50%	95,500	95.50%

Rights, preferences and restrictions attached to shares

Equity Shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is entitled 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 entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

08 Other Equity

a). Retained Earnings

	As at 31.03.2020 Rs. in lakhs	As at 31.03.2019 Rs. in lakhs
	(8.03)	(7.34)
	(8.03)	(7.34)
	For the year ended 31.03.2020 Rs. in lakhs	For the year ended 31.03.2019 Rs. in lakhs
Retained Earnings		
Balance as at the beginning of the year	(7.34)	(8.52)
Profit/ (Loss) for the year	(0.69)	1.18
Balance as at the end of the year	(8.03)	(7.34)

Retained Earnings are the profits and gains that the Company has earned till date and adjustments done on transition to Ind AS, less any transfer to general reserve, dividends or other distributions paid to shareholders.

	<u>As at</u> <u>31.03.2020</u> <u>Rs. in lakhs</u>	<u>As at</u> <u>31.03.2019</u> <u>Rs. in lakhs</u>
09. Trade Payables		
(a). Total outstanding dues to micro enterprises and small enterprises	-	-
(b). Total outstanding dues of creditors other than micro enterprises and small enterprises	0.94	0.93
Total trade payables	<u>0.94</u>	<u>0.93</u>

09.01 The Company did not have any outstanding dues to micro and small enterprises for more than 45 days during the period and as on March 31, 2019 and March 31, 2020, respectively.

KAUSHALYA ENERGY PRIVATE LIMITED**Notes forming part of the financial statements**

	As at 31.03.2020	As at 31.03.2019
	Rs. in lakhs	Rs. in lakhs
10 Other expenses		
(a). Rates, taxes and licenses	0.03	0.02
(b). Legal and professional fee	0.08	0.15
(c). Audit fees [Note 11.1]	0.06	0.06
(d). Other general expenses	0.02	0.01
Total other expenses	0.19	0.24
10.1 Payment to Statutory Auditors		
As audit fees	0.06	0.06

	As at 31.03.2020	As at 31.03.2019
	Rs. in lakhs	Rs. in lakhs
11 Earnings per share		
Basic and diluted earnings per share (In Rupees)		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit for the year	(0.69)	1.18
Profit attributable to the Equity Shareholders (A)	(0.69)	1.18
Weighted average number of equity shares outstanding (B)	1,00,000	1,00,000
Face value of Equity shares (in Rupees)	10	10
Basic and diluted earnings per share (A / B)	(0.69)	1.18
The Company is not having any potential ordinary shares which are dilutive in nature.		

KAUSHALYA ENERGY PRIVATE LIMITED

Notes forming part of the financial statements

12. Additional information to the Financial Statements

12.01 Contingent Liabilities

The Company do not have any contingent liability as at 31st March, 2020 and 31st March, 2019, respectively.

12.02 Capital and other commitments

The Company do not have any capital and other commitments as at 31st March, 2020 and 31st March, 2019, respectively.

KAUSHALYA ENERGY PRIVATE LIMITED

Notes forming part of the financial statements

13. Related party disclosures:

13.01 List of related parties and relationship

Name of the related party	Nature of Relationship
Kaushalya Infrastructure Development Corporation Ltd.	Parent Company
Azur Solar KDC Private Limited	Subsidiary
Key managerial persons	
Prashant Mehra	Director
Kartik Mehra	Director

Note: The Company do not have any transactions with its related parties during the year and also did not have any balances outstanding as at March 31, 2019 and March 31, 2020, respectively.

KAUSHALYA ENERGY PRIVATE LIMITED
Notes forming part of the financial statements

14. Income tax recognised in profit and loss

	For the year ended 31.03.2020	For the year ended 31.03.2019
	Rs. in lakhs	Rs. in lakhs
Current tax		
In respect of the current year	-	-
	-	-
Deferred tax		
In respect of the current year	0.50	(1.42)
	0.50	(1.42)
Total tax expenses	0.50	(1.42)

The income tax expense for the year can be reconciled to the accounting profit (loss) as follows:

	For the year ended 31.03.2020	For the year ended 31.03.2019
	Rs. in lakhs	Rs. in lakhs
Profit/ (Loss) before tax for the year	(0.19)	(0.24)
Income tax expense calculated at 26% (2018-19: 26%)	(0.05)	(0.06)
Total adjustment in relation to tax	0.55	1.48
Tax expense recognised in Statement of Profit and loss	0.50	1.42

KAUSHALYA ENERGY PRIVATE LIMITED

Notes forming part of the financial statements

15. Financial instruments

15.01 Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company. The Company determines the amount of capital required on the basis of annual business plan also taking into consideration any long term strategic investment and expansion plans. The funding needs are met through equity and cash generated from operations.

15.02 Financial risk management

15.02.01 Interest Rate Risk Management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. Currently the company does not have any debt and hence it is not exposed to any risk of changes in market interest rates.

15.02.02 Credit risk management

Credit risks refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. Financial instruments that are subject to concentrations of credit risk, principally consist of trade receivables, finance receivables and loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks. The Company does not engage in speculative treasury activity.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings.

On going credit evaluation is performed on the financial condition of accounts receivable.

15.02.03 Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

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

Liquidity and interest risk tables

The following tables detail the maturity profile of Company's non-derivative financial liabilities with agreed repayment period. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Carrying amount	Less than 1 year	Rs. lakhs 1 year & above
As at 31.03.2020			
Trade payables	0.94	0.94	-
	0.94	0.94	-
As at 31.03.2019			
Trade payables	0.93	0.93	-
	0.93	0.93	-

KAUSHALYA ENERGY PRIVATE LIMITED

Notes forming part of the financial statements

16. Financial instruments

16.01 Fair value measurements

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3.

Financial assets and Liabilities

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosure are required):

As at March 31, 2020			
	Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets:			
Cash and cash equivalents	1.00	1.00	1.00
Total	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
Financial Liabilities			
Trade payable	0.94	0.94	0.94
Total	<u>0.94</u>	<u>0.94</u>	<u>0.94</u>

As at March 31, 2019			
	Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets:			
Cash and cash equivalents	1.18	1.18	1.18
Total	<u>1.18</u>	<u>1.18</u>	<u>1.18</u>
Financial Liabilities			
Trade payable	0.93	0.93	0.93
Total	<u>0.93</u>	<u>0.93</u>	<u>0.93</u>

Fair Value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are 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 are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

17 Approval of financial statements

The financial statements were approved for issue by the board of directors on 27th July, 2020

As per terms of our report attach For and on behalf of the Board of Directors

For Monu Jain & Company

Firm Regn. No. 327900E

Chartered Accountants

Prashant Mehra

Director

Monu Jain

Partner

Membership No. 302721

Kartik Mehra

Director

Place: Kolkata

Date: 27th July, 2020