

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF HINDUSTHAN VIDYUT CORPORATION LIMITED**

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

**Qualified Opinion**

We have audited the accompanying financial statements of **Hindusthan Vidyut Corporation Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, 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, *except for the effects of the matter described in the Basis for Qualified Opinion* paragraph, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its financial position, changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

1. We refer to note no.13 regarding the present status of Barsingsar power project being implemented by the Company. The Implementation Agreement was made ineffective by the Government of Rajasthan. The matter was referred to arbitration which vide its order dated 2<sup>nd</sup> January, 2007 awarded a sum of Rs.11,40,32,805/- to the Company. The Government of Rajasthan had filed objections with District Judge, Jaipur which is rejected and arbitration award has been upheld by the court. Government of Rajasthan has filed an appeal with Hon'ble High Court of Rajasthan at Jaipur. The matter being under litigation, we are unable to comment on the realisation of the project expenditure pending allocation amounting to Rs.11,85,50,649 (Including Rs.35,86,000/- relating to Bina project, transferred to the Company in earlier year as part of overall growth strategy of the Company).
2. We refer to note no.23 in regard to the balances as appearing in the financial statements, which is more fully explained in the said note. We are unable to comment on the final settlement and the impact of the same on the financial statements.

**Management's Responsibility for the Financial Statements**

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

The Board of Directors are 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 control.
- Obtain an understanding of internal financial 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, 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

#### **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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and, except for the possible effect of the matter described in the Basis for Qualified Opinion Paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid standalone financial statements.
  - b) In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion Paragraph above, 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, statement of changes in equity and the statement of cash flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion Paragraph above, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder.
  - e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.



- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- h) In our opinion, and according to the information and explanations given to, the company has not paid any managerial remuneration during the year ended March 31, 2019. Hence, provisions of section 197 read with Schedule V to the Act are not applicable to the Company and has not commented upon; and
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its financial statements – Refer Note 13 and 15 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.

Place: New Delhi  
Date: June 25, 2019



For **NSBP & Co.**  
Chartered Accountants  
Firm's Registration No. 001075N

**Deepak K. Aggarwal**  
Partner  
Membership No: 095541

**ANNEXURE A to the Independent Auditor's Report to the members of Hindusthan Vidyut Corporation Limited dated June 25, 2019.**

**Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed assets have been physically verified by the management at reasonable intervals; no material discrepancy was noticed on such verification.
- (c) The Company does not have any immovable property; this clause is not applicable.
- (ii) According to the information and explanation given to us and the records examined by us, the company is not having any inventory, therefore the provisions of clause 3 (ii) of the said Order is not applicable to the company.
- (iii) The Company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Hence, this clause is not applicable.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees or securities, wherever transacted and applicable.
- (v) The Company has not accepted any deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable.
- (vi) According to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act. Therefore, the provision is not applicable.
- (vii) (a) According to the information and explanation given to us and the record of the Company examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales tax, service tax, goods and service tax, custom duty, excise duty, value added tax, cess and any other statutory dues to the appropriate authorities. There are no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the record of the Company examined by us, there are no dues of income tax, goods and service tax, sales tax, service tax or good and service tax, duty of custom or duty of excise and value added tax which have not been deposited on account of any dispute.

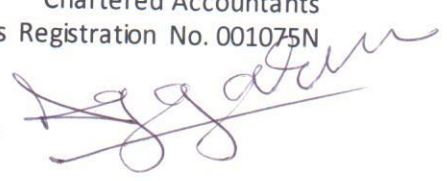


- (viii) As the Company does not have any borrowing from any government, financial institution, bank nor has it issued any debentures as at the balance sheet date, the provision of clause 3 (viii) of the Order are not applicable to the Company.
- (ix) Based on the information and explanation given by the management, the Company has not raised any monies by way of initial public offer or further public offer or and term loan during the financial year. Accordingly, the provision of clause 3 (ix) of the Order are not applicable to the Company.
- (x) In our opinion and on the basis of the information and explanation given to us, no cases of fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to information and explanations given to us, the Company has not paid or provided for managerial remuneration during the year, hence the provisions of section 197 of the Act and the reporting requirements of the Order are not applicable.
- (xii) The Company is not a Nidhi Company and therefore, the provisions of clause 3 (xii) of the said Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us during the course of audit, transactions with related parties are in compliance with 188 of the Act where applicable, and details has been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of the Section 177 are not applicable to the company and accordingly reporting under this clause insofar as it related to section 177 of the Act is not applicable to the company.
- (xiv) According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully / partly convertible debentures during the year in terms of provisions of Section 42 of the Act.
- (xv) On the basis of records made available to us and according to information and explanations given to us and based on the examination of the records of the Company, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3 (xv) of the order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 as the provision of section is not applicable to the Company.

Place: New Delhi  
Date: June 25, 2019



For **NSBP & Co.**  
Chartered Accountants  
Firm's Registration No. 001075N

  
**Deepak K. Aggarwal**  
Partner  
Membership No: 095541

**Annexure B: to the Independent Auditor's Report to the members of Hindusthan Vidyut Corporation Limited dated June 25, 2019.**

**Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 (f) of 'Report on Other Legal and Regulatory Requirements' section**

We have audited the internal financial controls over financial reporting of **HINDUSTHAN VIDYUT CORPORATION LIMITED** ("the Company") as of March 31, 2019 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 board of Directors of the Company 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.

#### **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, as specified 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, 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.

An 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 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 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:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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
- c) 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**

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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 **NSBP & Co.**  
Chartered Accountants  
Firm's Registration No. 001075N



**Deepak K. Aggarwal**  
Partner

Membership No: 095541

Place: New Delhi  
Date: June 25, 2019



Hindusthan Vidyut Corporation Limited  
Balance Sheet as at 31 March 2019

Amount in ₹

PARTICULARS	Note No.	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2	10,586	16,366
Capital work-in-progress	2A	11,85,50,649	11,84,99,527
<b>Total Non - Current Assets</b>		<b>11,85,61,235</b>	<b>11,85,15,893</b>
<b>Current assets</b>			
<b>Financial Assets</b>			
- Cash and cash equivalents	3	33,137	60,478
- Other financial assets	4	10,00,000	10,00,000
Other current assets	5	15,00,000	15,02,700
<b>Total Current Assets</b>		<b>25,33,137</b>	<b>25,63,178</b>
<b>Total Assets</b>		<b>12,10,94,372</b>	<b>12,10,79,071</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	6	1,40,15,200	1,40,15,200
<b>Total equity</b>		<b>1,40,15,200</b>	<b>1,40,15,200</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
- Other financial liabilities	7	10,70,79,172	10,70,63,871
<b>Total Current Liabilities</b>		<b>10,70,79,172</b>	<b>10,70,63,871</b>
<b>Total liabilities</b>		<b>10,70,79,172</b>	<b>10,70,63,871</b>
<b>Total Equity &amp; Liabilities</b>		<b>12,10,94,372</b>	<b>12,10,79,071</b>

The accompanying Notes form an integral part of these Financial Statements

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As per our report of even date  
For NSBP & Co.  
Chartered Accountants  
Firm Registration No.001075N

For and on behalf of the Board of Directors  
Hindusthan Vidyut Corporation Limited

Deepak K. Aggarwal  
Partner  
Membership No: 095541  
Place : New Delhi  
Date: 25th June 2019



L. S. RINGTA  
Director  
DIN No. 02512399  
Place : Kolkata  
Date: 25th June 2019

R. P. MODY  
Director  
DIN No. 00140503

Hindusthan Vidyut Corporation Limited

Statement of Changes in Equity for the year ended 31st March 2019

A. Equity Share Capital

	Amount in ₹
As at 31st March 2017	1,40,15,200
Changes in equity share capital	
As at 31st March 2018	1,40,15,200
Changes in equity share capital	
As at 31st March 2019	1,40,15,200

B. Other Equity

Amount In ₹

PARTICULARS	Reserves and Surplus		
	Retained earnings	General Reserves	Total
Balance at 1st April 2017	-		-
Profit for the year	-		-
Balance at 31st March 2018	-	-	-
Profit for the year	-		-
Balance at 31st March 2019	-	-	-

The accompanying Notes form an integral part of these Financial Statements

1-24

The above statement of changes in equity should be read in conjunction with the accompanying notes

As per our report of even date  
For NSBP & Co.

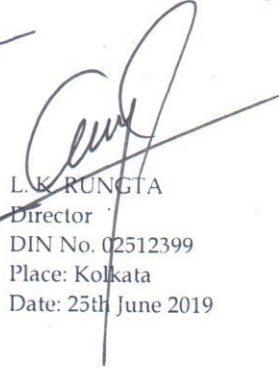
Chartered Accountants


Firm Registration No.001075N


Deepak K. Aggarwal  
Partner  
Membership No: 095541  
Place : New Delhi  
Date: 25th June 2019

For and on behalf of the Board of Directors  
Hindusthan Vidyut Corporation Limited

  
L. K. RUNGTA  
Director  
DIN No. 02512399  
Place: Kolkata  
Date: 25th June 2019

  
R. P. MODY  
Director  
DIN No. 00140503

**HINDUSTHAN VIDYUT CORPORATION LIMITED**

Cash Flow statement for the year ended 31st March 2019

Amount in ₹

SI No.	Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit before tax	-	-
	Adjustment for :		
	Depreciation/amortization	-	-
	Interest on TDS	-	-
	<b>Operating profit before working capital changes</b>		
	Movements in working capital :		
	Increase/(decrease) in trade payables	-	-
	Increase/(decrease) in other current liabilities	15,300	24,882
	Decrease/(increase) in trade receivables	-	-
	Decrease/(increase) in inventories	-	-
	Decrease / (increase) in other current assets	2,700	(2,700)
	<b>Cash generated from / (used in) operations</b>	18,000	22,182
	Less: Direct taxes paid (net of refunds)	-	-
	<b>Net cash flow from/ (used in) Operating Activities (A)</b>	<b>18,000</b>	<b>22,182</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
	Capital work in Progress	(45,342)	(83,916)
	<b>Net cash flow from/(used in) Investing Activities (B)</b>	<b>(45,342)</b>	<b>(83,916)</b>
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	Issue of share capital	-	-
	Net Proceeds from Long term borrowing	-	-
	Interest paid	-	-
	<b>Net cash flow from/(used in) in Financing Activities (C)</b>	<b>-</b>	<b>-</b>
	<b>Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>(27,342)</b>	<b>(61,734)</b>
	<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>60,478</b>	<b>1,22,212</b>
	<b>Cash and Cash Equivalents at the end of the year</b>	<b>33,137</b>	<b>60,478</b>

The accompanying Notes form an integral part of these Financial Statements

1-24

As per our report of even date  
For NSBP & Co.  
Chartered Accountants  
Firm Registration No.001075N

Deepak K. Aggarwal  
Partner  
Membership No: 095541  
Place : New Delhi  
Date: 25th June 2019



For and on behalf of the Board of Directors  
HINDUSTHAN VIDYUT CORPORATION LIMITED

L. K. RINGTA  
Director  
DIN No. 02512399  
Place: Kolkata  
Date: 25th June 2019

R. P. MODY  
Director  
DIN No. 00140503

**Hindusthan Vidyut Corporation Limited**  
**Notes on Financial Statements for the Year ended 31st March, 2019**

**Note 1**

**Corporate Overview**

The company was formed for setting a power plant. The company has not yet commenced any business activities. The registered office of the company is situated at 27, R. N. Mkhherjee Road, Kolkata - 700 001. The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the companies Act, 2013

**1.1 Basis of Preparation of Financial Statements**

The Financial Statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments that are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period.

The Financial Statements are presented in Indian Rupees except otherwise stated.

**1.2 Use of estimates**

The Preparation of financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and reported amount of revenue and expense during the year.

Contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated. Differences between the actual results and estimates are recognized in the year in which the results are known/materialized.

**1.3 Fair Value Measurement**

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 under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- a Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b Level 2: Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- c Level 3: Inputs for the asset or liability which are not based on observable market data.

**1.4 Revenue Recognition**

Items of Income/Expenditure are recognised on accrual basis, except specifically stated otherwise.

**1.5 Property, Plant and Equipment**

Property, plant and equipment are stated at cost of acquisition or deemed cost on the date of transition and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. Cost of an asset comprises its purchase price or its construction cost including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, inward freight, dismantling costs, installation expenses



## 1.6 Provision For Income Tax

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized 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 profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 utilized.

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 realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternative Tax (MAT) measured in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable that the future economic benefit associated with same will be realized.

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 deferred tax asset to be utilized.

## 1.7 Impairment of Tangible Assets

Tangible and Intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost to disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

## 1.8 Provisions, Contingencies and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made, of the amount of obligation. Contingent assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed by way of notes.

## 1.9 Financial assets and financial liabilities

Financial assets and financial liabilities (financial instruments) 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. Transaction 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 or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

**(i) Cash and cash equivalents**

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

**(ii) Financial Assets and Financial Liabilities measured at amortised cost**

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**(iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

**(iv) Impairment of financial assets**

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a 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.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.



Hindusthan Vidyut Corporation Limited

Notes to the financial statements for the year ended 31st March 2019

Note 2 Property, Plant and Equipment

Amount in ₹

Gross Block	Computers & office Equipments	Total
As at 1st April 2017	33,706	33,706
Additions	-	-
Disposals	-	-
As at 31st March 2018	33,706	33,706
Additions	-	-
Disposals	-	-
As at 31st March 2019	33,706	33,706
Accumulated Depreciation		
As at 1st April 2017	11,560	11,560
Additions	5,780	5,780
Disposals	-	-
As at 31st March 2018	17,340	17,340
Additions	5,780	5,780
Disposals	-	-
As at 31st March 2019	23,120	23,120
Net carrying amount as at 31st March 2019	10,586	10,586
Net carrying amount as at 31st March 2018	16,366	16,366



Hindusthan Vidyut Corporation Limited

Notes to the financial statements for the year ended 31st March 2019

Note 2A Capital Work In Progress

Amount in ₹

CAPITAL WORK IN PROGRESS-PREOPERATIVE EXPENDITURE PENDING ALLOCATION	As at March 31, 2019	For the Year 2018-19	As at March 31, 2018
Advertisement & Publicity	370,732	-	370,732
Auditors' Remuneration	280,832	15,000	265,832
Bank Charges	30,393	344.00	30,049
Bank Guarantee Commission	11,226,665	-	11,226,665
Books & Periodicals	871,228	-	871,228
Custom Duty Paid	18,500	-	18,500
Depreciation	5,521,044	5,780	5,515,264
Directors' Sitting Fees	249,000	12,000	237,000
Fees & Subscription	21,263,406	-	21,263,406
Filing Fee	508,998	-	508,998
General Charges	797,520	10,348	787,172
Insurance Premium	172,879	-	172,879
Interest on Loan	406,882	-	406,882
Interest on Others	300	300	-
Legal & Professional Charges	1,148,753	-	1,148,753
Loss on discard of fixed assets	1,729,188	-	1,729,188
Postage & Telegram	270,019	-	270,019
Power, Fuel & Water	2,454,545	-	2,454,545
Rent , Rates & Taxes	12,110,611	4,650	12,105,961
Repair & Maintenance	3,975,478	-	3,975,478
Stationery & Printing	996,363	-	996,363
Salaries & Welfare	25,069,009	-	25,069,009
Service Tax Paid	103,395	(2,250)	105,645
Sundry Balance Writen off	4,950	4,950	-
Travelling & Conveyance	20,109,408	-	20,109,408
Telephone & Trunkcall	5,662,169	-	5,662,169
Vehicle Upkeep	3,036,667	-	3,036,667
Preliminary Expenses Written off	165,175	-	165,175
Liability no longer required writtenback	(3,460)	-	(3,460)
	<b>118,550,649</b>	<b>51,122</b>	<b>118,499,527</b>





Hindusthan Vidyut Corporation Limited

Notes to the financial statements for the year ended 31st March 2019

Note 3 Cash and Cash Equivalents

Amount in ₹

Particulars	Amount in ₹	
	As at March 31, 2019	As at March 31, 2018
(a) Balances with banks		
In Current Account	28,234	58,425
(b) Cash in hand	4,903	2,053
<b>Total Cash and Cash Equivalents</b>	<b>33,137</b>	<b>60,478</b>

Note 4 Other Financial Assets

Amount in ₹

Particulars	Current	
	As at March 31, 2019	As at March 31, 2018
Security Deposits (Refer note 23)	1,000,000	1,000,000
<b>Total</b>	<b>1,000,000</b>	<b>1,000,000</b>

Note 5 Other Current Assets

Amount in ₹

Particulars	Current	
	As at March 31, 2019	As at March 31, 2018
Security Deposits (Refer note 23)	1,500,000	1,500,000
Duties & Taxes	-	2,700
<b>Total</b>	<b>1,500,000</b>	<b>1,502,700</b>



Hindusthan Vidyut Corporation Limited  
Notes to the financial statements for the year ended 31st March 2019

Note 6 Equity Share Capital

Authorised Share Capital

At 1st April 2017 (2,00,00,000 Nos. Equity shares of Rs. 10 each)  
Increase/(decrease) during the year  
At 31st March 2018  
Increase/(decrease) during the year  
At 31st March 2019

Equity Shares	
No. of Shares	₹
20,000,000	200,000,000
-	-
20,000,000	200,000,000
-	-
20,000,000	200,000,000

Issued, Subscribed & Paid-up Capital

At 1st April 2017 (14,01,520 Nos. Equity shares of Rs. 10 each)  
Changes during the period  
At 31st March 2018  
Changes during the period  
At 31st March 2019

No. of Shares	₹
1,401,520	14,015,200
-	-
1,401,520	14,015,200
-	-
1,401,520	14,015,200

Shares held by Holding Company

Hindusthan Engineering & Industries Limited and its Nominees

As at 31st March 2019	As at 31st March 2018
1,401,520	1,401,520

Details of shareholders holding more than 5% shares in the company

Hindusthan Engineering & Industries Limited and its Nominees

As at March 31st, 2019		As at March 31st, 2018	
No. of Shares	% holding	No. of Shares	% holding
1,401,520	100.00%	1,401,520	100.00%
1,401,520	100.00%	1,401,520	100.00%

Terms/rights attached to equity shares

The Company has only one class of equity shares having par value value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per  
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution  
of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



Hindusthan Vidyut Corporation Limited  
Notes to the financial statements for the year ended 31st March 2019

Note 7 Other Financial Liabilities

Particulars	Amount in ₹	
	As at March 31, 2019	As at March 31, 2018
HEIL Expenses Imprest (Refer note 12)	8,01,07,073	8,01,07,073
Liabilities for Expenses (Refer note 23)	2,69,21,848	2,69,21,848
Provisions for Auditors	45,000	15,000
Others	4,951	19,950
Statutory Dues	300	-
<b>Total</b>	<b>10,70,79,172</b>	<b>10,70,63,871</b>



**Hindusthan Vidyut Corporation Limited**  
**Notes to the financial statements for the year ended 31st March 2019**

- 8 During the period the company has no employees on its roll. Accordingly, provisions of IndAS-19 "Employees Benefit" are not applicable.
- 9 The company does not have more than one reportable segment in accordance with the principle outlined in IndAS-108 "Segment Reporting". The disclosures requirements on segment reporting are not applicable.
- 10 The Company is yet to commence operations and does not prepare Statement of Profit & Loss, the requirement of IndAS-33 "Earning Per Share" is not applicable. However, the necessary details of Capital Work in Progress Pre-operative Expenditure pending allocation have been disclosed in Note No-2A.
- 11 There are no adjustments on account of deferred tax liability or deferred tax assets in respect of current as well as earlier year since the company is yet to commence its commercial operations.
- 12 Disclosure of Related Parties / Related Party Transactions as per IndAS-24:-

(A) Name of Related parties and description of relationship :

Parties	Relationship
Hindusthan Engineering & Industries Ltd.	Holding Co.
Shri Rajendra Prasad Mody	Director
Shri Laxmi Kant Rungta	Director
Shri Shyamal Dutt	Director

(B) Disclosure of Related Party Transactions during the year :

Name of the Party	Transaction during the year		Amount Outstanding	
	2018-19	2017-18	2018-19	2017-18
<u>Advances/Security Deposit taken</u>				
Hindusthan Engineering & Industries Ltd.	-	7,182	80,107,073	80,107,073
	-	7,182	80,107,073	80,107,073
<u>Directors Sitting fees</u>				
Shri R.P.Mody	4,000	4,000	Nil	Nil
Shri L.K. Rungta	4,000	4,000	Nil	Nil
Shri S.Dutt	4,000	4,000	Nil	Nil
	12,000	12,000	-	-



**Hindusthan Vidyut Corporation Limited**

Notes to the financial statements for the year ended 31st March 2019

- 13 The Company was awarded the aforesaid Integrated Lignite Mining-cum-Power Generation Project through International Competitive Bidding by Government of Rajasthan (GOR) in 1996. Necessary Implementation Agreement and Power Purchase Agreement were signed by the Company with the concerned Authorities. The Company obtained all the approvals required by making all out efforts and incurring huge expenses. However, even after a period of 4 years, GOR was unable to give the Mining Lease Approval, which is an essential pre-requisite for setting up the plant as Mining was an integral part of the project as per tender conditions. This failure on the part of GOR halted the project and nothing could move further. GOR, thereafter, declared the Implementation Agreement ineffective. The matter was referred to arbitration between the Company and GOR. The Arbitral Tribunal vide its Award dated 2.1.2007, has awarded a sum of Rs.11,40,32,805/- to the company with future interest against GOR. The objections filed by GOR in the court of District Judge, Jaipur City, Jaipur have been rejected and award has been upheld by the court. GOR has filed an appeal before Hon'ble High Court of Rajasthan at Jaipur.
- 14 The Company's promoter company viz. Hindusthan Engineering & Industries Ltd. (HEIL) (formerly known as Hindusthan Development Corporation Ltd.(HDC) had started pre-developing the Barsingsar Lignite Mining cum Power Generation Project at Barsingsar, Distt. Bikaner, Rajasthan by early 1992 much before the date of Incorporation of the Company i.e. 3rd July, 1995. HEIL was incurring substantial expenditure since 1992 on this Project. Upto the year ending March 31, 2004, HEIL had transferred the expenditure amounting to Rs. 6,96,12,485. The details of such expenditure transferred by HEIL are as follows:

	Amount (Rs.)
Advertisement & Publicity	226,814
Auditors' Remuneration	-
Bank Charges	-
Bank Guarantee Commission	16,332
Books & Periodicals	5,326,165
Custom Duty Paid	782,886
Depreciation	-
Directors' Sitting Fees	-
Fees & Subscription	-
Filing Fee	8,676,598
General Charges	-
Insurance Premium	612,362
Interest on Loan	116,882
Legal & Professional Charges	-
Loss on discard of fixed assets	15,000
Postage & Telegram	-
Power, Fuel & Water	202,414
Rent, Rates & Taxes	1,776,580
Repair & Maintenance	4,656,320
Stationery & Printing	2,378,036
Salaries & Welfare	577,627
Service Tax Paid	19,183,788
Travelling & Conveyance	17,588,293
Telephone & Trunkcall	5,101,082
Vehicle Upkeep	2,375,306
TOTAL	69,612,485



**Hindusthan Vidyut Corporation Limited**  
**Notes to the financial statements for the year ended 31st March 2019**

- 15 There is no contingent liability as on 31st March, 2019 (PY : Nil).  
 16 There are no foreign currency exposure as on 31st March, 2019 (PY : Nil).  
 17 In the opinion of the management, Current Assets, Loans and Advances have a value on realisation at least equal to the amount at which they are stated in the Balance Sheet.  
 18 No amount is due to Micro, Small & Medium Enterprises (identified on the basis of information made available to the company by such enterprises). No interest has been paid / accrued during the year in this regard.

19 Auditors Remuneration :

Particulars	Year ended 31.03.19	Year ended 31.03.18
Statutory Audit Fees	15,000	15,000

20 Capital Mangement

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

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

	31.3.2019	31.03.2018
Capital	14,015,200	14,015,200
Long term Term Debts	-	-
Gearing ratio	100%	100%

21 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Estimates and assumptions**

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



Hindusthan Vidyut Corporation Limited

Notes to the financial statements for the year ended 31st March 2019

Financial instruments

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 1 to the financial statements.

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2019 is as follows:

PARTICULARS	Amount in ₹			
	Fair Value through Profit or Loss	Fair value through other Comprehensive Income	Amortised Cost	Total Carrying Value
<b>Financial assets</b>				
Cash and cash equivalents	-	-	33,137	33,137
Other financial assets			10,00,000	10,00,000
<b>Total Financial Assets</b>	-	-	10,33,137	10,33,137
<b>Financial Liabilities</b>				
Other financial liabilities	-	-	10,70,79,172	10,70,79,172
<b>Total Financial liabilities</b>	-	-	10,70,79,172	10,70,79,172

The carrying value of financial instruments by categories as at March 31, 2018 is as follows:

PARTICULARS	Amount in ₹			
	Fair Value through Profit or Loss	Fair value through other Comprehensive Income	Amortised Cost	Total Carrying Value
<b>Financial assets</b>				
Cash and cash equivalents	-	-	60,478	60,478
Other financial assets			10,00,000	10,00,000
<b>Total Financial Assets</b>	-	-	10,60,478	10,60,478
<b>Financial Liabilities</b>				
Other financial liabilities	-	-	10,70,63,871	10,70,63,871
<b>Total Financial liabilities</b>	-	-	10,70,63,871	10,70,63,871

\* Carrying amounts of cash & cash equivalents and other financial liabilities as at March 31, 2019, March 31, 2018 approximate the fair value because of their short-term nature.

There are no other additional material information required to be disclosed pursuant to provision of Companies Act 2013, Schedule III of the Companies Act, 2013, Companies Accounting Standards) Rule, 2015 and other material applicable enactment, circulars, orders, notifications etc.

23 There are some balances as appearing in the financial statements under current assets in the form of security deposits for an amount aggregating to Rs. 25,00,000/- and amount payable as appearing in other financial liabilities amounting to Rs. 26,921,848/- are subject to balance confirmations and pending for reconciliations.

24 Previous year figures have been re-grouped/re-classified wherever considered necessary to facilitate comparison.

As per our report of even date  
For NSBP & Co.  
Chartered Accountants  
Firm Registration No. 001075N

Deepak K. Aggarwal  
Partner  
Membership No: 095541  
Place: New Delhi  
Date: 25th June 2019



For and on behalf of the Board of Directors  
Hindusthan Vidyut Corporation Limited

L. K. RUNGTA  
Director  
DIN No. 02512399  
Place: Kolkata  
Date: 25th June 2019

R. P. MODY  
Director  
DIN No. 00140503