SBN & ASSOCIATES
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Facor Power Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Facor Power Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, 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 Ind AS 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 Ind AS 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, 2022, its loss 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the Ind AS 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 thatcontext.

14 & 15, DEENDAYAL BHAWAN (2ND FLOOR), JANPATH, ASHOK NAGAR, BHUBANESWAR - 751009
BRANCHES AT : CUTTACK, RANCHI, TEL.: 0674-2530166, 2533554, E-mail : sbnassociate@gmail.com

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 Ind AS 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 Ind AS 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 Ind AS financial statements.

1. We draw attention to the Note No. 16 & 33 of the financial statement which states that during the year ended 31st March 2022, the Company incurred a net loss of Rs 50.30 crores and as on the date of Balance Sheet total accumulated losses (other equity) is Rs 945.29 crores against the Equity Share Capital of Rs. 230.06 crores.

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 Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

SBN & ASSOCIATES BHUBANESWAR Chartered Accountants

In preparing the Ind AS 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 also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

SBN & ASSOCIATES BHUBANESWAR Chartered Accountants

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 Ind AS financial statements for the financial year ended March 31, 2022 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 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 Ind AS 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) As per the information and explanation given to us and on the basis of our examination of the records, managerial remuneration i.e commission to directors has been paid or provided as specified by the provisions of section 197 read with Schedule V to the Act.

SBN & ASSOCIATES BHUBANESWAR Chartered Accountants

(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:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 32 to the Ind AS financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds)by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any persons or entities, including foreign entities ("Funding parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and

c) Based on the audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that may cause us to believe that the representations under above sub-clauses(a) and (b) contain any material mis-statement.

v. The Company has not declared or paid any dividend during the year.

For **SBN & ASSOCIATES**
Chartered Accountants
Firm's Registration. No: 323579E

Date :21.04.2022

Place: BHADRAK

SBN & ASSOCIATES BHUBANESWAR Chartered Accountants

CA BIMAL KUMAR BHOOT
Partner
Membership No. :057858

UDIN: 22057858AIESRZ5534

"ANNEXURE 1" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF FACOR POWER LIMTED

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(b) The company is maintaining proper records showing full particulars of intangible assets.

(c) As explained to us and according to the information and explanation provided to us the Property, Plant and Equipment were physically verified by the management at reasonable intervals and there are no material discrepancies were noticed on such verification and same have been properly dealt with in the books of account.

(d) The Title Deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.

(e) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the financial year.

(f) As explained to us and according to the information and explanation provided to us, no proceedings have been initiated or pending against the company for holding any benami property under Benami Transaction (Provision) Act, 1988 (45 of 1988 and rules made thereunder).

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification and the coverage and procedures of verification by the management is appropriate.

(b) The company has not been sanctioned working capital limit in excess of 5 crores rupees in aggregate from bank or financial institution on the basis of security of current asset.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

SBN & ASSOCIATES BHUBANESWAR Chartered Accountants

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) According to the information and explanation given to us 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.

(vi) As per the requirement under section 148(1) of Companies Act, 2013 the Central government has not prescribed for maintenance of the cost record for the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it except following dues. The following are the undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable:

Particulars	**Total Amount outstanding as at 31.03.2022 (Rs. In crores)**	**Amount outstanding more than six months (Rs. In crores)**
Electricity duty	1.15	0
Interest on Electricity duty	6.88	6.88

SBN & ASSOCIATES
BHUBANESWAR
Chartered Accountants

(b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and service tax and cess which have not been deposited on account of any dispute except for the following:

Name of Statute	Nature of the Dues	Amount (Rs. In crores)	Period to which the amount relates	Forum where dispute is pending
Customs Act 1962	Custom Duty short paid on account of wrong classification of Coal	0.40 crores (against the disputed demand Rs. 0.07 crores have been deposited)	F.Y. 2012-13	Custom, Excise and Service Tax Appellate Tribunal Kolkata.
Income Tax Act 1961	TDS	0.12 crores.	F.Y. 2018-19	CIT(A), Cuttack

(viii) According to the information and explanations given to us, there are no previously unrecorded income as per tax assessments under the Income Tax Act. 1961 .

(ix) In our opinion and according to the information and explanations given to us by the management,

(a) The Company has not defaulted in repayment of loans or borrowing to a bank or government or dues to debenture holders.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) The term loans have been applied for the purpose for which they were raised.

(d) The Company has not utilized the funds raised on short term basis for long term purposes.

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

SBN & ASSOCIATES BHUBANESWAR Chartered Accountants

(x) (a) According to the information and explanations given by the management, the company has not raised any money by way of initial public offer / further public offer / debt instruments.

(b) According to the information and explanations given 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 during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xi) 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 given by the management, we report that;

(a) No fraud by the company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) No whistle-blower complaints have been received during the year by the company.

(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 given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013.

(xiv) (a) The company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditors for the period under audit were considered by the statutory auditor.

(xv) According to the information and explanations given 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.

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

SBN & ASSOCIATES
BHUBANESWAR
Chartered Accountants

(xvii) The company has incurred cash losses in the financial year and in the immediately preceding financial year.

Particulars	FY:2021-22 (Amount in Rs Crore)	FY:2020-21 (Amount in Rs Crore)
Profit before tax	(50.30)	(113.22)
Add: Depreciation/ (Profit) /Loss on sale of fixed assets/written off	17.77	16.95
Profit before tax and depreciation	(32.53)	(96.28)

(xviii) There has not been any resignation of the statutory auditors during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) Since the Company does not fulfill the following threshold limit for applicability of the CSR :(a) net worth of the company to be Rs 500 crore or more; or (b) turnover of the company to be Rs 1000 crore or more; or (c) average net profit of the company to be Rs 5 crore or more. the provisions of section 135 of the Companies Act 2013 are not applicable to the Company.

For **SBN & ASSOCIATES**
Chartered Accountants
Firm's Registration. No: 323579E

CA BIMAL KUMAR BHOOT
Partner
Membership No. :057858

Date :21.04.2022

Place: BHADRAK

UDIN: 22057858AIESRZ5534

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF FACOR POWER LIMTED

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 Facor Power Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS 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 Ind AS 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 Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

SBN & ASSOCIATES
BHUBANESWAR
Chartered Accountants

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Ind AS 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 Ind AS 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 orerror.

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 over financial reporting with reference to these Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

SBN & ASSOCIATES
BHUBANESWAR
Chartered Accountants

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2022, 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 **SBN & ASSOCIATES**
Chartered Accountants
Firm's Registration. No: 323579E

Date :21.04.2022

Place: BHADRAK

SBN & ASSOCIATES BHUBANESWAR Chartered Accountants

UDIN: 22057858AIESRZ5534

CA BIMAL KUMAR BHOOT
Partner
Membership No. : 057858

FACOR POWER LIMITED

CIN: U40101OR2005PLC036808

BALANCE SHEET FOR THE PERIOD ENDED MARCH 31, 2022

Amount (₹ in Crore)

Particulars	Note No.	Figures as at March 31,2022	Figures as at March 31,2021
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3(a)	541.15	459.58
(b) Right of use of Assets	3(b)	1.23	1.24
(c) Capital Work-in-progress	4	2.15	95.01
(d) Financial assets			
(i)Investment	5	-	0.00
(ii) Other non-current financial assets	6	1.89	1.92
(e) Other Non-current Assets	7	0.03	0.13
		546.43	557.88
(2) Current Assets			
(a) Inventories	8	6.53	8.12
(b) Financial assets			
(i) Trade receivable	9	0.22	17.88
(ii) Cash and cash equivalent	10	0.59	7.93
(iii) Bank balances other than (ii) above	11	3.04	24.94
(iv) Other current financial assets	12	0.30	0.99
(c) Current tax assets (net)	13	0.41	0.40
(d) Other current assets	14	69.10	13.82
		80.19	74.08
Total Assets		626.62	631.96
EQUITY AND LIABILITES			
Equity			
(a) Equity share capital	15	230.06	230.06
(b) Other equity	16	(945.29)	(895.08)
		(715.23)	(665.02)
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
i)Borrowings	17	1,240.92	1,240.92
(ii)Lease Liabilities	18	0.17	0.17
(b) Provisions	19	61.58	11.72
		1,302.67	1,252.81
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	-	6.89
(ii) Trade payables -	21		
(a) Due to Micro, Small & Medium Enterprises		0.53	-
(b) other than Micro, Small and Medium enterprises		19.03	2.11
(iii) Other financial liabilities	22	0.75	12.58
(b) Other current liabilities	23	15.10	18.40
(c) Provisions	24	3.76	4.18
		39.18	44.16
Total Liabilities		1,341.85	1,296.98
Total Equity and Liabilities		626.62	631.96

Significant Accounting Policies 1 & 2

Accompanying notes to the financial statements are integral part of the financial statements

As per our report of even date attached,
For SBN & ASSOCIATES
Chartered Accountants
Firm Registration No. 323579E

SBN & ASSOCIATES BHUBANESWAR Chartered Accountants

For and on behalf of the Board,

BIMAL KUMAR BHOOT
Partner
Membership No. 057858

SAUVICK MAZUMDAR
Director
DIN: 07558996

AR NARAYANASWAMY
Director
DIN: 00818169

BALWANT SINGH RATHORE
Chief Executive Officer

ANAND PRKASH DUBEY
Chief Financial Officer

SAMBIT KUMAR SARANGI
Company Secretary

Date 21-04-2022

Place : BHADRAK

FACOR POWER LIMITED
CIN: U40101OR2005PLC036808
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2022

Amount (₹ in Crore)

	Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I.	Revenue from operations	25	138.17	122.23
II.	Other income	26	6.38	2.71
III.	**Total income (I+II)**		**144.55**	**124.93**
IV.	**Expenses**			
	Cost of materials consumed	27	93.57	83.86
	Employee benefits expenses	28	7.48	6.19
	Finance costs	29	53.28	117.64
	Depreciation and amortization expenses	30	17.78	16.93
	Other expenses	31	22.73	13.53
	Total Expenses		**194.84**	**238.16**
V.	**Profit/(loss) before tax (III-IV)**		**(50.30)**	(113.22)
VI.	**Tax expense:**			
	(1) Current tax		-	-
	(2) Deferred Tax		-	-
VII.	**Profit (Loss) for the period (V-VI)**		(50.30)	(113.22)
VIII.	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of post employment benefits obligations		0.09	(0.00)
	(b) Income tax relating to items that will not reclassified to profit or loss		-	-
	Total other comprehensive income for the year (net of taxes)		0.09	(0.00)
IX.	**Total Comprehensive Income (VII+VIII)**		(50.21)	(113.22)
X.	**Earning per equity share of ₹10/- each**	38		
	(1) Basic		(2.18)	(4.92)
	(2) Diluted		(2.18)	(4.92)

Significant accounting policies 1 & 2

Accompanying notes to the financial statements are integral part of the financial statements

As per our report of even date attached,
For SBN & ASSOCIATES
Chartered Accountants
Firm Registration No. 323579E

For and on behalf of the Board,

BIMAL KUMAR BHOOT
Partner
Membership No. 057858

SAUVICK MAZUMDAR
Director
DIN: 07558996

AR NARAYANASWAMY
Director
DIN: 00818169

BALWANT SINGH RATHORE
Chief Executive Officer

ANAND PRKASH DUBEY
Chief Financial Officer

SAMBIT KUMAR SARANGI
Company Secretary

Date: 21-04-2022
Place : BHADRAK

FACOR POWER LIMITED
CIN: U40101OR2005PLC036808
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH, 2022

Amount (₹ in Crore)

Particulars	Figures as at March 31,2022	Figures for the Period 2020-21
(A) Cash flow from Operating activities:-		
Profit before tax	(50.30)	(113.22)
Adjustment for:-		
Depreciation	17.78	16.93
(Profit) /Loss on sale of fixed assets/written off	(0.01)	0.02
Finance cost	53.28	117.64
Finance income	(0.56)	(1.48)
Operating profit before working capital changes	**20.19**	**19.89**
Adjustment For:		
(Increase)/decrease in inventory	1.59	(1.58)
(Increase)/decrease in trade receivables	17.66	(5.84)
(Increase)/decrease in other current financial assets	0.69	0.13
(Increase)/decrease in current tax assets (net)	(0.01)	0.02
(Increase)/decrease in other current assets	(55.28)	(4.64)
Increase/(decrease) in sundry creditors	17.45	(1.12)
Increase/(decrease) in other financial liabilites	(11.83)	0.32
Increase/(decrease) in other current liabilites	(6.55)	4.36
Increase/(decrease) in provisions	(0.41)	1.82
Cash generated from operation	**(36.68)**	**(6.53)**
Tax paid	-	-
Loss on sale of fixed assets/written off	-	-
Net cash flow/(used) from operating activities (A)	**(16.49)**	**13.36**
(B) Cash flow from investing activities :		
Purchase of fixed assets including CWIP	(6.47)	(0.48)
Adjustment due to Ind AS 116	-	0.01
(Increase)/decrease in bank deposits	21.89	5.72
Profit on sales of assets	0.01	-
(Increase)/decrease in other non-current financial assets	0.04	(0.17)
(Increase)/decrease in other non-current assets	0.10	0.06
Interest received	0.56	1.48
Net cash used in investing activities (B)	**16.13**	**6.63**
(C) Cash flow from financing activities :		
Proceeds from issuance of shares	-	-
Increase/(decrease) in borrowings ,lease liabilities & provisions	(6.99)	(13.35)
Interest	-	(0.62)
Net cash flow from financing activities (C)	**(6.99)**	**(13.97)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(7.34)	6.02
Cash and cash equivalent at the beginning of the period	7.93	1.91
Cash and cash equivalent at the end of the period	0.59	7.93

Notes to the statement of cash flows:

(i) The above cash flow statement has been prepared as per IND-AS - 7

(ii) The figures in the brackets represents outflows.

(iii) The previous year figures are regrouped, rearranged or reclassified to conform with the current year classification.

Accompanying notes to the financial statements are integral part of the financial statements

As per our report of even date attached,
For SBN & ASSOCIATES
Chartered Accountants
Firm Registration No. 323579E

For and on behalf of the Board,

BIMAL KUMAR BHOOT
Partner
Membership No. 057858

SAUVICK MAZUMDAR
Director
DIN: 07558996

AR NARAYANASWAMY
Director
DIN: 00818169

BALWANT SINGH RATHORE
Chief Executive Officer

ANAND PRKASH DUBEY
Chief Financial Officer

SAMBIT KUMAR SARANGI
Company Secretary

Date: 21-04-2022
Place : BHADRAK

FACOR POWER LIMITED
CIN: U40101OR2005PLC036808
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2022

A **Equity Share Capital**

Amount (₹ in Crore)

Balance as at 1st April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at 31st March 2022
230.06	Nil	Nil	Nil	230.06

Balance as at 1st April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at 31st March 2021
230.06	Nil	Nil	Nil	230.06

B **Other Equity (Refer Note No.16)**

Particulars	Retained Earnings	Total
Balance as at 1st April 2021	(895.08)	(895.08)
Remeasurement of defined benefits obligations net of tax	0.09	0.09
Net impact of change in accounting for lease asset as per Ind AS 116		-
Net profit/(loss) for the current financial year after tax	(50.30)	(50.30)
Balance as at 31st March 2022	**(945.29)**	**(945.29)**

Particulars	Retained Earnings	Total
Balance as at 1st April 2020	(781.85)	(781.85)
Remeasurement of post employment benefits obligations net of tax	(0.00)	(0.00)
Net impact of change in accounting for lease asset as per Ind AS 116	(0.01)	(0.01)
Net profit/(loss) for the current financial year after tax	(113.22)	(113.22)
Balance as at 31st March 2021	**(895.08)**	**(895.08)**

Significant accounting policies 1 & 2

Accompanying notes to the financial statements are integral part of the financial statements

As per our report of even date attached.

For SBN & ASSOCIATES
Chartered Accountants
Firm Registration No. 323579E

For and on behalf of the Board,

BIMAL KUMAR BHOOT
Partner
Membership No. 057853

SAUVICK MAZUMDAR
Director
DIN: 07558996

AR NARAYANASWAMY
Director
DIN: 00818169

BALWANT SINGH RATHORE
Chief Executive Officer

ANAND PRKASH DUBEY
Chief Financial Officer

SAMSON KUMAR SARANGI
Company Secretary

Date: 21-04-2022
Place : BHADRAK

Facor Power Limited
CIN: U40101OR2005PLC036808
Notes to the financial statements for the year ended 31 March 2022

1. Corporate and General information of the Company

Facor Power Limited referred to as "FPL" or "the Company" is domiciled in India. The Company's registered office is at Randia, Bhadrak, Odisha.

The Company is having 100 MW (2x50) Thermal Power Plant at Bhadrak, Odisha and is engaged in generating of power. FPL was incorporated in 2005 under the Companies Act, 2013.

2. Significant Accounting Policies

2.1 Basis of preparation and presentation

(i) Statement of Compliance
The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. These financial statements have been prepared in accordance with the accounting policies, set out below and were consistently applied to all periods presented unless otherwise stated. Certain comparative figures appearing in these financial statements have been regrouped and/or reclassified to better reflect the nature of those items.

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest rupees in Crores, unless otherwise indicated.

These financial statements were authorised for issue by the Board of Directors on 21st April 2022.

(ii)Basis of measurement
These financial statements have been prepared under the historical cost convention on the accrual basis and certain financial instruments are measured at fair value as explained in the accounting policies.

(iii) Use of estimates and judgment
in preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

a. Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Leases: Whether an arrangement contains a lease
- Classification of leases into finance and operating lease
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

b. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the year ended 31st March 2022 is included below:

- Impairment test: key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Useful life of property, plant & equipment
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

(iv) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

SBL & ASSOCIATES
BHUBANESWAR

2.2 Property, Plant and equipment:

Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use. Capital work in progress includes cost of assets, construction expenditure and interest on the funds deployed. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment. Major inspection and overhaul expenditure is capitalised, if the recognition criteria are met.

Any gain on disposal of property, plant and equipment is recognised in statement of Profit and loss.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance cost are charges to the statement of profit and loss when incurred.

Depreciation

Depreciation on tangible fixed assets is calculated on straight line Method (SLM) using the rates arrived at based on the estimated useful lives given in Schedule II of the Companies Act, 2013. Cost of leasehold land is amortized over the lease period. In case of certain PPE where the useful life is not available the same is to be determined by the technical expert.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

Estimated useful lives (in years) of assets are as follows:

Assets	Useful life (in years)
Buildings	30 to 40 years
Railway Sidings	5 to 15 years
Plant and Machinery	10 to 40 years
Office equipment	5 to 10 years
Furniture and fixture	8 to 10 years
Vehicles	6 to 10 years

2.3 Intangible Assets:

Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite useful life are not amortised but tested for impairment by comparing its recoverable amount with its carrying amount annually and whenever there is an indication that the intangible assets may be impaired.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

2.4 Impairment of Non-Financial Assets:

The carrying amounts of the Company's assets are reviewed at each balance sheet date to ascertain if there is any indication of impairment. An asset is considered to be impaired if evidence indicates that one or more events have had a negative impact on the estimated future cash flows of that asset. If any such indication exists, the asset's recoverable amount is estimated.

For intangible assets that have an indefinite useful life, the recoverable amount is estimated at each balance sheet date as the higher of value in use and fair value less costs of disposal.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

If the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount, an impairment loss is recognised in the statement of profit and loss to the extent the carrying amount exceeds the recoverable amount.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment, recognised for the assets, no longer exists or has decreased.

2.5 Lease

Determining whether an arrangement contains lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At inception or on reassessment of an arrangement that contains lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company

SBN & ASSOCIATES BHUBANESWAR Chartered Accountants

concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as finance Lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on the general borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the Asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with general inflation to compensate for the lessor's expected inflationary cost increase.

2.6 Borrowing Costs

Borrowing costs specifically relating to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are recognised as per Effective Interest Rate method. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.7 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

Subsequent measurement

All financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), and equity instruments at fair value through profit or loss (FVTPL), non-derivative financial liabilities at amortised cost or FVTPL.

The classification of financial instruments depends on the business model under which is held and the instruments contractual cash flow characteristics. Management determines the classification of its financial instruments at initial recognition.

a) Non-derivative financial assets

Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

(a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortised cost is represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks.

Debt instruments at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

(a) The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and

(b) The asset's contractual cash flow represents SPPI

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain loss in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the effective interest rate (EIR) model.

Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.

In addition, the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has not designated any financial asset as FVTPL.

Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

b) Non-derivative financial liabilities

Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial liabilities at FVTPL

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

Impairment of Financial Assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to be recognised as an impairment gain or loss is recognised in the statement of profit and loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Financial liabilities

Financial liabilities are recognised initially at fair value less any directly attributable transaction costs. These are subsequently carried at amortized cost using the effective interest method or fair value through profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.8 Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

SBN & ASSOCIATES BHUBANESWAR

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.9 Inventories

The cost of inventories is based on weighted average principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing the inventories to their present location and condition. Scraps are valued at net realisable value.

2.10 Revenue Recognition

The Company recognises revenue when the company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset and it is probable that the company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

(a) Revenue from sale of energy

The Company's revenue from contracts with customers is mainly from the sale of power. Revenue from contracts with customers is recognised when control of the goods or services is transferred. Revenue from sale of power is recognised when delivered and measured based on rates as per bilateral contractual agreements with buyers and at conditions mutually agreed with beneficiaries and trading of power through power exchanges and excluding taxes or duties collected on behalf of the Government.

(b) Interest income

Interest income is recognized using the Effective Interest Rate ('EIR') method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

2.11 Foreign currency transactions

(a) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.
(b) Monetary items denominated in foreign currencies outstanding at the year end, are translated at exchange rates applicable on year end date.
(c) Non-monetary items denominated in foreign currency are valued at the exchange rate prevailing on the date of transaction and carried at cost.
(d) Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Statement of Profit and Loss.

2.12 Employee Benefits

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

The Company pays provident fund contribution to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised under as employee benefit expenses when they are due.

iii. Defined benefit plans

The company has only one Defined benefit plan - Gratuity. The company net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

The company has following long term employment benefit plans:

2.12 Employee Benefits

i. **Short term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. **Defined contribution plans**

The Company pays provident fund contribution to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised under as employee benefit expenses when they are due.

iii. **Defined benefit plans**

The company has only one Defined benefit plan - Gratuity. The company net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. **Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

The company has following long term employment benefit plans:

Leave encashment

Leave encashment is payable to eligible employees at the time of retirement. The liability for leave encashment is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

2.12 Taxes

Income Tax expense comprises of current tax and deferred tax. Provision for current tax is made with reference to taxable income computed for the financial year for which the financial statements are prepared by applying the tax rates as applicable.

Current Tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed as at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will not be available against which deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

2.13 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company has been identified as being the chief operating decision maker by the Management of the company. Refer note 35 for segment information.

2.14 Earnings per Share

Basic Earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating Diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.15 Contingent liabilities, Contingent Assets & Provisions

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

Contingent liabilities, if material, are disclosed by way of notes and contingent asset, if any, is disclosed in the notes to financial statements. A provision is recognised, when an enterprise has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made for the amount of obligation. The expense relating to the provision is presented in the profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Cash & Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.17 Exceptional Items

Exceptional items are those items that management considers, by virtue of their size or incidence (including but not limited to impairment charges and acquisition and restructuring related costs), should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Also, tax charges related to exceptional items and certain one-time tax effects are considered exceptional. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

2.18 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

2.19 Events occurring after the balance sheet date

All material events occurring after the balance sheet date up to the date of consideration of financial statements by the Board of Directors on 21th April 2022, have been considered, disclosed and adjusted, wherever applicable, as per the requirements of Ind AS 10 – Events after the Reporting Period

RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTE NO. 3 (a) : PROPERTY, PLANT AND EQUIPMENT

Figures as at Mar. 31, 2022
Amount (₹ in Crore)

PARTICULARS	GROSS CARRYING VALUE				DEPRECIATION					NET CARRYING VALUE	
	Figures as at April 01, 2021	Additions during the Year	Disposals/ Adjustments during the Year	Figures as at March 31, 2022	Figures as at April 01, 2021	For the period ended 31.03.22	Adjustment through opening Retained Earnings	Disposals/ Adjustments during the Year	Figures as at March 31, 2022	Figures as at Mar. 31, 2022	Figures as at Mar. 31, 2021
Land Freehold	6.96	-	-	6.96	-	-	-	-	-	6.96	6.96
Factory Buildinng	88.97	-	-	88.97	25.60	2.92	-	-	28.52	60.45	63.36
Other Building	0.70	-	-	0.70	0.17	0.02	-	-	0.20	0.50	0.53
Roads	6.21	-	-	6.21	4.21	0.59	-	-	4.79	1.42	2.01
Plant & Machinery	489.71	99.19	-	588.90	117.82	12.42	-	-	130.24	458.67	371.88
Railway Siding	26.91	-	-	26.91	12.70	1.64	-	-	14.35	12.57	14.21
Office Equipement	1.26	0.14	-	1.40	0.93	0.09	-	-	1.02	0.38	0.34
Furniture & Fixture	0.38	-	-	0.38	0.29	0.02	-	-	0.32	0.07	0.09
Vehicle	1.41	-	0.04	1.37	1.21	0.06	-	0.04	1.23	0.13	0.20
Total	**622.52**	**99.33**	**0.04**	**721.81**	**162.94**	**17.77**	**-**	**0.04**	**180.67**	**541.15**	**459.58**

Figures as at Mar. 31, 2021
Amount (₹ in Crore)

PARTICULARS	GROSS CARRYING VALUE				DEPRECIATION					NET CARRYING VALUE	
	Figures as at April 01, 2020	Additions during the Year	Disposals/ Adjustments during the Year	Figures as at March 31, 2021	Figures as at April 01, 2020	For the period ended 31.03.21	Adjustment through opening Retained Earnings	Disposals/ Adjustments during the Year	Figures as at March 31, 2021	Figures as at Mar. 31, 2021	Figures as at March 31, 2020
Land Freehold	6.69	0.27	-	6.96	-	-	-	-	-	6.96	6.69
Factory Buildinng	88.97	-	-	88.97	22.80	2.81	-	-	25.60	63.36	66.17
Other Building	0.70	-	-	0.70	0.15	0.02	-	-	0.17	0.53	0.55
Roads	6.21	-	-	6.21	3.60	0.60	-	-	4.21	2.01	2.61
Plant & Machinery	489.61	-	0.01	489.60	106.14	11.59	-	0.01	117.72	371.88	383.47
Railway Siding	26.91	-	-	26.91	11.07	1.64	-	-	12.70	14.21	15.85
Lab Equipment	0.11	0.00	-	0.11	0.08	0.01	-	-	0.10	0.02	0.03
Electrical Installation	0.66	-	-	0.66	0.33	0.06	-	-	0.39	0.27	0.33
Office Equipment	0.25	0.01	0.06	0.20	0.21	0.02	-	0.06	0.17	0.03	0.04
Computers	0.40	0.00	-	0.40	0.37	0.01	-	-	0.38	0.02	0.03
Furniture & Fixture	0.48	0.00	0.10	0.38	0.35	0.03	-	0.09	0.29	0.09	0.13
Vehicle	1.41	-	-	1.41	1.09	0.12	-	-	1.21	0.20	0.32
Total	**622.40**	**0.29**	**0.18**	**622.52**	**146.19**	**16.91**	**-**	**0.16**	**162.94**	**459.58**	**476.22**

Acquisition through business combination is not applicable as no such transaction occurred during the year and in the corresponding previous financial year. Also there was no impairment/revaluation of assets during the last 5 years. The asset value of Leasehold Land along with corresponding acumulated depreciation upto 31st Mar'20 are separately shown under Right of use Assets and prov.for depreciation - ROU, respectively and shown separately, as per applicable Ind AS 116.

NOTE NO. 3 (b) : Right of use Assets

Figures as at Mar. 31, 2022
Amount (₹ in Crore)

PARTICULARS	GROSS CARRYING VALUE				DEPRECIATION					NET CARRYING VALUE	
	Figures as at April 01, 2021	Adjustments during the Year due to Ind AS 116	Disposals/ Adjustments during the Year	Figures as at March 31, 2022	Figures as at April 01, 2021	For the period ended 31.03.22	Adjustment through opening Retained Earnings	Disposals/ Adjustments during the Year	Figures as at Mar. 31, 2022	Figures as at Mar. 31, 2022	Figures as at Mar. 31, 2021
Right of use assets	1.37	-	-	1.37	0.13	0.01	-	-	0.14	1.23	1.24
Total	**1.37**	**-**	**-**	**1.37**	**0.13**	**0.01**	**-**	**-**	**0.14**	**1.23**	**1.24**

NOTE NO. 3 (b) : Right of use Assets

Figures as at Mar. 31, 2021
Amount (₹ in Crore)

PARTICULARS	GROSS CARRYING VALUE				DEPRECIATION					NET CARRYING VALUE	
	Figures as at April 01, 2020	Adjustments during the Year due to Ind AS 116	Disposals/ Adjustments during the Year	Figures as at March 31, 2021	Figures as at April 01, 2020	For the period ended 31.03.21	Adjustment through opening Retained Earnings	Disposals/ Adjustments during the Year	Figures as at Mar. 31, 2021	Figures as at Mar. 31, 2021	Figures as at March 31, 2020
Right of use assets	1.18	0.19	-	1.37	0.10	0.01	0.02	-	0.13	1.24	1.09
Total	**1.18**	**0.19**	**-**	**1.37**	**0.10**	**0.01**	**0.02**	**-**	**0.13**	**1.24**	**1.09**

NOTE NO. 4 : CAPITAL WORK IN PROGRESS

Figures as at Mar. 31, 2022
Amount (₹ in Crore)

Particulars	Figures as at April 01, 2021	Additions/adjustments during the year	Deductions/ adjustments during the Year	Figures as at March 31, 2022
Capital Work-in-Progress	95.01	8.76	101.62	2.15
Total	**95.01**	**8.76**	**101.62**	**2.15**

Figures as at Mar. 31, 2021
Amount (₹ in Crore)

Particulars	Figures as at April 01, 2020	Additions/adjustments during the year	Deductions/ adjustments during the Year	Figures as at Mar. 31, 2022
Capital Work-in-Progress	95.01	-	-	95.01
Total	**95.01**	-	-	**95.01**

CWIP aging schedule

Ageing for capital work-in-progress as at March 31, 2022 is as follows

Amount (₹ in Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.15	-	-		2.15
Projects temporarily suspended	Nil				-

Ageing for capital work-in-progress as at March 31, 2021 is as follows

Amount (₹ in Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	95.01	95.01
Projects temporarily suspended	Nil				-

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

Amount (₹ in Crore)

Particulars	Figures as at March 31, 2022	Figures as at March 31, 2021
NOTE NO. 5 : INVESTMENT		
a) Un-quoted non-trade investment		
Investment in government securities (measured at amortized cost)	-	0.00
	-	0.00
Aggregate book value of quoted investments	-	-
Aggregate book value of the unquoted investment	-	0.00
Aggregate provisiion for diminution in the value of investment	Nil	Nil

The above investment of ₹ 0.004 Crores (Previous year ₹ 0.004 Crores) has been made in National Saving Certificates, valued at cost, and the same have been pledged with the mining office, Baripada & Talcher, Orissa.
Also refer note no.37

Particulars	Figures as at March 31, 2022	Figures as at March 31, 2021
NOTE NO. 6 : Other Non-current Financial Assets		
Unsecured, considered good:		
i) Security deposits	1.89	1.91
ii) Bank deposits (held as margin money/security deposit and having maturity period more than 12 months)	-	0.01
	1.89	1.92
NOTE NO. 7 : OTHER NON-CURRENT ASSETS		
Unsecured, Considered good ;		
i) Capital Advances	-	0.03
ii) Advances other than capital advances		
Prepaid expenses	0.03	0.10
	0.03	0.13
NOTE NO. 8 : INVENTORIES*		
a) Raw material:		
i) Coal at site	2.29	4.12
ii) Coal in transit	-	-
b) Consumables:		
i) Stores & spares/consumables	4.24	3.99
	6.53	8.12

*Inventories are valued at lower of cost or net realisable value.

Particulars	Figures as at March 31, 2022	Figures as at March 31, 2021
NOTE NO. 9 : TRADE RECEIVABLES		
Unsecured considered good:		
i) From holding company	-	17.88
ii) Others	0.22	0.00
Less: Allowances for doubtful receivables	-	-
	0.22	17.88

Trade Receivables ageing schedule

Ageing for trade receivables - billed -current outstanding as at March 31, 2022 is as follows

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	0.22	-	-	-	-	0.22
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

SEN & ASSOCIATES
BHUBANESWAR
CHARTERED ACCOUNTANTS

Notes to the Financial Statement

Ageing for trade receivables - billed -current outstanding as at March 31, 2021 is as follows

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	17.88	-	-	-	-	17.88
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

NOTE NO. 10 : CASH AND CASH EQUIVALENT

i) Balance in current accounts	0.59	7.93
ii) Cash on hand	-	0.00
	0.59	**7.93**

NOTE NO. 11 : BANK BALANCES OTHER THAN NOTE NO. 10

i) Bank deposits (under court directions) with interest accrued & Due	-	23.17
ii) Bank deposits (held as margin money/security deposit)	3.04	1.77
	3.04	**24.94**

NOTE NO. 12 : Other current financial assets

i) Interest accrued on fixed deposits	0.12	0.90
ii) Security deposits	0.18	0.09
	0.30	**0.99**

NOTE NO. 13 : Current tax assets

Taxes paid (tax deposit at source)	0.41	0.40
	0.41	**0.40**

NOTE NO. 14 : OTHER CURRENT ASSETS

i) Advance to vendors	69.97	13.39
Less : Provision for doubtful advances	(1.50)	-
iii) Prepaid expenses	0.63	0.43
	69.10	**13.82**

SBN & ASSOCIATES
BHUBANESWAR

FACOR POWER LIMITED

Notes to the Financial Statement

Amount (₹ in Crore)

Particulars		Figures as at March 31, 2022	Figures as at March 31, 2021
NOTE NO. 15 : SHARE CAPITAL			
Authoriased share capital			
235,000,000 Equity shares (Previous Year 235,000,000 shares) @ ₹ 10/share		235.00	235.00
15,00,000 Preference shares (Previous Year 15,00,000 shares) @ ₹ 100/share		15.00	15.00
		250.00	**250.00**
Share capital issued, subscribed and fully paid			
230,060,000 Equity shares (Previous Year 230,060,000 shares) @ ₹ 10/share		230.06	230.06
		230.06	**230.06**
A. Reconciliation of number of shares			
(i) Authorised share capital		Equity	Equity
Outstanding at the beginning		23,50,00,000	23,50,00,000
Add: Issued during the year		-	-
Less: Deduction during the year		-	-
Outstanding at the end of the reporting period		**23,50,00,000**	**23,50,00,000**
(ii) Share capital issued, subscribed and fully paid		Equity	Equity
Outstanding at the beginning		23,00,60,000	23,00,60,000
Add: Issued during the year		-	-
Less: Deduction during the year		-	-
Outstanding at the end of the reporting period		**23,00,60,000**	**23,00,60,000**

B. Rights, preferences and restrictions attached to shares

Equity shares have a par value of ₹10/share. Each Shareholder is eligible for one vote per share held. The company declares dividends in Indian rupees. In case the dividend is proposed by the Board of Directors it is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive in proportion to their shareholding, the assets of the Company remaining after distribution of preferential amount.

	%	No. of Shares	%	No. of Shares
C. Shares held by Ferro Alloys Corporation Limited (Promoter)				
Equity	90%	20,70,59,996	90.00%	20,70,59,996

	%	No. of Shares	%	No. of Shares
D. Shareholders holding more than 5% Shares				
Ferro Alloys Corporation Limited (Equity Shares)	90.00	20,70,59,996	90.00	20,70,59,996
Facor Alloys Limited (Equity Shares)	8.69	2,00,00,000	8.69	2,00,00,000

Other notes as prescribed under Schedule III regarding bonus shares, shares allotted for consideration other than cash, shares bought back, calls unpaid etc. are not applicable.

Particulars		Figures as at March 31, 2022	Figures as at March 31, 2021
NOTE NO. 16 : OTHER EQUITY			
Surplus (Deficit) in profit & loss			
Profit & loss balance as at beginning of the year		(895.08)	(781.85)
Net impact of change in accounting for lease asset as per Ind AS 116		-	(0.01)
Net profit /(loss) for the year		(50.30)	(113.22)
Closing balance of Profit & Loss		**(945.38)**	**(895.08)**
Remeasurement of post employment benefits obligations (net of taxes)		0.09	(0.00)
Closing balance		**0.09**	**(0.00)**
Total		**(945.29)**	**(895.08)**
NON-CURRENT LIABILITIES			
NOTE NO. 17 : BORROWINGS			
Secured long term borrowings:			
a) Term loan (REC Ltd. Loan assigned to FACOR)			
i) Ferro Alloys Corporation Ltd	510.98		
ii) Interest accrued and not due	718.94	1,229.92	1,229.92
Unsecured long term borrowings:			
i) Preference Share Capital		11.00	11.00
		1,240.92	**1,240.92**

Note:

A. i) As per the terms of the approved Resolution Plan, the loans granted by REC Limited to the Company along with all rights and interest against the Company has been assigned in favor of Ferro Alloys Corporation Limited (in short FACOR) vide an assignment agreement executed on September 21, 2020 between REC Ltd and FACOR, except the personal guarantee and third party security. Total outstanding debt payble to REC Ltd as on 21/09/2020 is ₹ 1203.95 Crores (₹ 510.98 Crores towards Principal and ₹ 692.97 Crores towards accumulated interest) has been assinged to Ferro Alloys Corporation Ltd. Interest net of TDS relaing to period 21/09/2020 to 31/03/2021 amounting ₹ 25.97 crores is included in ₹ 1,229.92 crores.

The rate of interest on Principal loan assigned to Ferro Alloys Corporation Limited is 10.50% per annum during the year. The outstanding principal loan assined is re-payable after a moratorium period of 3 years from loan assinment date in 7 equal instalment with the 1st Instalment being payable on 31st Dec' 2023.

The accumulated interest has to be paid at the end of 10 years from loan assinment date or the date on which all principal obligations are full paid, which ever is earlier.

ii) Preference shares are 15% cumulative redeemable after 20 years from the date of issue

B. Also refer note no.37

Amount (₹ in Crore)

Particulars	Figures as at March 31, 2022	Figures as at March 31, 2021
NOTE NO. 18 : Lease Liabilities		
Long-term maturity of lease obligation	0.17	0.17
	0.17	**0.17**
NOTE NO. 19 : PROVISIONS		
i) Provision for interest on loan assigned to FACOR	48.29	-
ii) Provision for dividend on preference shares	12.05	10.40
iii) Provision for leave encashment	0.36	0.43
iv) Provision for gratuity	0.88	0.89
	61.58	**11.72**
NOTE NO. 20 : BORROWINGS		
b) Unsecured borrowings		
i) Facor Alloys Limited	-	5.00
ii) Interest accrued and due	-	1.89
	-	**6.89**
NOTE NO. 21 : TRADE PAYABLES		
a) MSME creditors	0.53	-
b) Others	19.03	2.11
	19.56	**2.11**

Ageing for trade payables outstanding as at March 31, 2022 is as follow

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		<1 year	1-2 years	2-3 years	>2 years	
(i) MSME	0.53	-	-	-	-	0.53
(ii) Others	19.00	0.03	-	-	-	19.03
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-

Ageing for trade payables outstanding as at March 31, 2021 is as follow

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		<1 year	1-2 years	2-3 years	>2 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	1.54	-	0.23	0.35	2.11
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 and based on the information available with the Company, the following are the details:

Particulars	Figures as at March 31, 2022	Figures as at March 31, 2021
i) Principal amount remaining unpaid to any supplier covered under MSMED Act	0.44	Nil
ii) Interest due remaining unpaid to any supplier covered under MSMED Act	Nil	Nil
iii) The amount of interest paid by the buyer in terms of section16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	Nil	Nil
v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	Nil	Nil

NOTE NO. 22 : OTHER FINANCIAL LIABILITIES		
i) Retention money	0.12	6.97
ii) Payable to suppliers for capital goods	-	5.04
iii) Payable to employees	0.63	0.56
iv) Security deposit	-	0.02
	0.75	**12.58**
NOTE NO. 23 : OTHER CURRENT LIABILITIES		
Statutory dues (PF, TDS, Electricity duty etc.)	13.72	16.26
Advance from customers	1.38	-
Dividend distribution tax on preference shares	-	2.14
	15.10	**18.40**
NOTE NO. 24: PROVISIONS		
i) Provision for leave encashment	0.04	0.01
ii) Provision for gratuity	0.13	0.03
iii) Provision for expenses	3.59	4.14
	3.76	**4.18**

SBN & ASSOCIATES BHUBANESWAR

Amount (₹ in Crore)

Particulars	Figures as at March 31, 2022	Figures as at March 31, 2021
NOTE NO. 25 : REVENUE FROM OPERATIONS		
i) Sale of power	137.88	122.23
ii) Other operating revenue	0.29	-
	138.17	**122.23**
NOTE NO. 26 : OTHER INCOME		
i) Interest on fixed deposit/ margin money deposit	0.56	1.48
ii) Tender fee received	0.00	0.00
iii) Sundry Balance Written Back	5.78	1.23
iv) Interest on income tax refund	0.01	0.01
v) Profit on sale of assets	0.01	-
vi) Miscellaneous Income	0.01	-
	6.38	**2.71**
NOTE NO. 27 : COST OF MATERIAL CONSUMED		
a) Coal consumed:		
Opening inventory	4.12	3.28
Purchase during the year	68.04	63.11
Add: Incidental expenses	23.70	21.60
Less: Closing Stock	2.29	4.12
Cost of Materials Consumed	**93.57**	**83.86**
NOTE NO. 28 : EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	6.98	5.73
Contribution to provident and other funds	0.35	0.30
Staff Gratuity and Superannuation	0.10	0.15
Staff welfare expenses	0.06	0.02
	7.48	**6.19**
NOTE NO. 29 : FINANCE COSTS		
a) Interest cost		
i) interest on term loan	-	84.20
ii) interest on loan - Facor	53.65	28.08
iii) Interest on cash credit/short-term loan	-	0.87
iv) interest on delay depost of statutory dues	0.00	2.29
v) others	0.11	0.02
b) Dividend on preference shares	1.65	1.99
Less: Reversal of Provision for DDT	(2.14)	-
c) Other borrowing cost	-	0.20
	53.28	**117.64**
NOTE NO. 30 : DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on tangible assets	17.78	16.93
	17.78	**16.93**
NOTE NO. 31 : OTHER EXPENSES		
Power and fuel	0.66	0.35
Provision for Doubtful advances	1.50	-
Electricity duty on auxiliary consumption	1.83	1.79
Repairs and maintenance -		
- Buildings	-	0.14
- Plant and machinery	1.77	0.11
Stores & Spares	6.58	2.80
Other operating expenses	5.28	4.13
Security expenses	0.77	0.88
Rent	0.00	0.01
Insurance	0.87	0.57
Rates and Taxes	0.01	0.22
Audit expenses		
i) Statutory audit fee	0.01	0.01
ii) Tax audit	0.00	0.00
iii) Certificate/other services	0.00	-
iv) Reimbursement of expenses	0.00	0.00
Directors' sitting fees	0.11	0.06
Commission to Non Wholetime Directors	0.63	-
Water charges	1.82	1.70
Bank Charges and Commission	0.05	0.06
Car expenses	0.01	0.01
Guest HouseExpenses	-	0.01
Legal & Professional expenses	0.25	0.35
Micsellaneous expenses	0.20	0.06
Payment to Internal Auditors	0.18	0.02
Postage, Telegrams and Cables	0.00	0.00
Printing and Stationery	0.00	0.02
Energy trading fees	0.04	0.00
Sundry balances Written off	0.09	0.08
Telephone and Trunkcall charges	0.03	0.02
Travelling expenses	0.04	0.07
Fixed assets written off	-	0.02
Total	**22.73**	**13.53**

FACOR POWER LIMITED

Notes to financial statements for the year ended 31 March 2022 (₹ In Crores)

32 Contingent liabilities, contingent assets and commitments

Particulars	31-Mar-22	31-Mar-21
A) Contingent Liabilities		
i) Outstanding amount of Bank Guarantees	2.84	5.09
ii) Custom Duty for FY 2012-13	0.33	0.33
iii) Interest Liability - Thyssenkrup Industries India Pvt Ltd. against outstanding dues (Also refer note no.31(a))	-	4.26
iv) ESI Dues for the period July '11 to Feb'22	0.01	-
B) Commitments		
Letter of Credit	-	-

In respect of (A)(i) above, the cash flow (if any) would generally occur during the validity period of the respective guarantees.

In the opinion of the management, the value of realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities have been made.

In respect of (A)(ii) above, the case is filed before the Hon'ble Customs, Excise, and Service Tax Appellate Tribunal East regional Bench, Kolkata vide Appeal No. C/76645/2018-CU [DB] dated 21/05/2018 against the odrer of Commissioner (Appeals) of GST, Central Excise & Customs, Bhubaneswar and the appeal(s) will be heared by principal bench of the tribunal in Kolkata in due course.

33 The accumulated losses of the Company had exceeded 100% of the Net Worth during the financial year 2016-17 and there is further erosion in net worth during the current financial year. The accumulated loss are mainly increasing due to provisioning of Interest including penal interest of Secured loan. As per assignment agreement executed between REC Ltd. and Ferro Alloys Corporation Ltd. on dated 21/09/2020, the loans granted by REC Limited to the Company Facor Power Limited (FPL) along with all rights, title and interest against the Company except all third party security and all personal guarantees provided by any indivudual for guaranting the loans, has been assigned in favor of Ferro Alloys Corporation Limited (FACOR) who is our corporate debtors as well as holding company also. The financial position of holding company is very sound and expansion of FACOR, which hold 90% equity shares of Facor Power Limited (FPL) have the scope to increase their offtake of power. Further, the intention of present management has neither to liquidate nor cease to operate of FPL which is required to judge the going concern assumption. It is also important to mention the fact that FACOR is making profit after tax and FPL is also making positive EBIDTA. So the question of erosion of net worth and increase in accumulated losses may not affect the going concern assumption of the entity.

34 **Segment information:**

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

Operating Segments

The Management Information System of the Company identifies and monitors "Power" as the business segment. The Company is managed organisationally as a single unit. In the opinion of the management, the Company is primarily engaged in the business of generation of Power. As the basic nature of these activities are governed by the same set of risk and return, these constitute and are grouped as a single segment. Accordingly, there is only one Reportable Segment for the Company which is "Generation of Power", hence no specific disclosures have been made.

Entity wise disclosures

A. **Information about products and services**

During the year, the Company primarily operates in one product line, therefore product wise revenue disclosure is not applicable.

B. **Information about geographical areas**

The entire sales of the company are made to customers domiciled in India. Also, all the non-current assets of the Company are located in India.

C. **Information about major customers (from external customers)**

The Company derives revenues from the following customers where each contributes to 10 per cent or more of an entity's revenues:

External Customers	31 March 2022	31 March 2021
Ferro Alloys Corporation Limited	132.85	121.78

35 **Related Party Disclosure:-**

I **List of Related Parties:-**

A. **Name and nature of relationship with the related party where control exists:**

Ferro Alloys Corporation Limited	Holding Company
Facor Reality and Infrastructure Limited	Fellow Subsidiary

SEN & ASSOCIATES BHUBANESWAR CHARTERED ACCOUNTANTS

B. Enterprise, over which key management personnel and their relatives exercise significant influence, with whom transactions have taken place during the year :

C. Key Management Personnel & their relatives:

Mr. Sambit Serangi	Company Secretary
Ms. Pallavi Joshi Bakhru (DIN - 01526618)	Director
Mr. Sauvick Mazumdar (DIN - 07556996)	Director
Mr. Akhilesh Joshi (DIN - 01920024)	Director
Mr. AR Narayanaswami (DIN - 00818169)	Director
Mr. Anand Prakash Dubey	CFO
Mr. Balawant Singh Rathore	CEO

II Transactions with Related Parties during the year ended 31-03-2022 in the ordinary course of business.

Particulars	Name of Party	Nature of Transactions	2021-22	2020-21
Related parties & relationships, where control exists	Ferro Alloys Corporation Ltd.	Sale of Energy (including electricity duty & TCS)	146.36	134.88
		Lease rent paid / credited	0.00	0.00
		Reimbursement of expenses paid	0.72	-
		Interest paid/ credited on loan taken (Principal)	55.30	28.08
		Purchase of assets	0.00	-
		Loan from REC Ltd assigned (Principal plus Accumulated interest till 21/09/2020)		1,203.95
		Re-imbursement of amount paid to Central Bank of India towards settlement of CC A/c	-	2.30
		Closing Balance :-		
		Amount receivable	(1.24)	17.88
		Amount Payable	(0.00)	-
		Loan due to FACOR along with accumulated Interest	1,278.20	1,229.92
		Preference Share Capital	11.00	11.00
Key Management Personnel (KMP) and their relatives	Mr. Surendra Pradhan(CEO from 18th August'18 till 1st August'20 and director w.e.f 12th Nov 2018 till 1st Aug'20)	Reimbursement of expenses	-	0.02
		Closing Balance:-	-	**0.02**
	Mr. Sanatan Panigrahi (resigned from CFO position w.e.f 22nd Jan '21)	Salary & perquisites/benefits		0.20
		Reimbursement of expenses		0.00
		Closing Balance		**0.01**
	Mr. Sambit Sarangi	Salary & perquisites/benefits	0.12	0.07
		Reimbursement of expenses	0.01	-
		Closing Balance	**0.01**	**0.01**
	Ms. Pallavi Joshi Bakhru	Sitting fees (excluding GST)	0.03	0.02
		Commission	0.09	-
		Closing Balance	-	(0.00)
	Mr. Akhilesh Joshi	Sitting fees (excluding GST)	0.03	0.01
		Commission	0.09	
		Closing Balance	-	(0.00)
	Mr. AR Narayanaswami	Sitting fees (excluding GST)	0.03	0.02
		Commission	0.09	
		Closing Balance	-	**0.02**

SBN & ASSOCIATES BHUBANESWAR Chartered Accountants

36 **Employee benefits**

The company contributes to the following post-employement defined benefit plans in India

Defined Contribution Plans:

The company contributes towards Provident Fund and pension scheme for qualifying employees. Under the plan, the company is required to contribute a specified percentage of payroll to the retirement benefit plan to fund the benefit. The amount debited to statement of profit and loss for the same amounted to ₹ 0.31 Crores (Previous Year ₹ 0.30 crores).

Defined Benefit Plan :

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of the defined benefit obligation for gratuity were carried out as at 31 March 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the amounts recognised in the Company's financial statements as at balance sheet date:

(a)

Net defined benfit liability	**31st March 2022**	**31st March 2021**
Liability for Gratuity	61.88	0.92
Liability for PL Encashment	3.59	4.58
Total employee Benefit liability	**65.47**	**5.49**
Non-Current	62.20	1.32
Current	3.63	4.17

(i) **(a) Reconciliation of Opening and Closing balances of the present value of the Defined Benefit**

	Gratuity		**PL Encashment**	
Particulars	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Present value of Defined Benefit Obligation at the beginning of the year	0.92	0.78	0.45	0.41
Interest Cost	0.06	0.05	0.03	0.03
Current Service Cost	0.10	0.10	0.04	0.05
Acturial Losses/(Gains)	(0.04)	0.00	(0.05)	(0.02)
Benefits Paid	(0.03)	(0.02)	(0.06)	(0.01)
Present value of Defined Benefit Obligation at the close of the year	**1.01**	**0.92**	**0.41**	**0.45**

(b) Amount recognised in the Balance Sheet

	Gratuity		**PL Encashment**	
Particulars	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Present Value of Defined Benefit Obligation	1.01	0.92	0.41	0.45
Less : Fair Value of Plan Assets	-	-	-	-
Present Value of unfunded obligation	**1.01**	**0.92**	**0.41**	**0.45**

(c) Amount recognised in the Statement of Profit & Loss are as follows :

	Gratuity		**PL Encashment**	
Particulars	**2021-22**	**2020-21**	**2021-22**	**2020-21**
In Income Statement				
Current Service Cost	0.10	0.10	0.04	0.05
Adjustments		-		-
Interest Cost	0.06	0.05	0.03	0.03
Expected return on Plan Asset	-	-	-	-
	0.16	**0.15**	**0.07**	**0.08**
In Other Comprehensive Income				
Net acturial loss/(gain)	(0.04)	0.00	(0.05)	(0.02)
Net periodic cost	-	-	-	-

(d) Actuarial Assumptions as at the Balance Sheet date

Particulars	**2021-22**	**2020-21**
Discount Rate	7.14%	6.90%
Salary Escalation Rate	5.00%	5.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

(e) Sensitivity Analysis:

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	**As at 31st March 2022**		**As at 31st March 2021**	
	Increase	**Decrease**	**Increase**	**Decrease**
Change in discounting rate (delta effect of +/- 0.50%)	(0.07)	0.08	(0.07)	0.08
Change in rate of salary increase (delta effect of +/- 0.50%)	0.08	(0.07)	0.08	(0.07)

BHUBANESWAR

37 Financial instruments – Fair values and risk management

Fair value techniques

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short- term maturities of these instruments.

Long term variable rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values.

Fair value hierarchy

Following provides for the fair value measurement hierarchy of Company's assets and liabilities grouped into level 1 to level 3 as described below:

Level 1: It includes those financial assets and liabilities whose value is quoted in the market.

Level 2: Valuation technique used is other techniques for which all inputs having significant effect on fair value are observable. Inputs available are currency exchange rates, interest rate to discount future cash flows, prevailing interest rates, future payouts.

Level 3: Techniques which uses inputs that have a significant effect on the recorded fair value that are not based on observable market data.

i. **Fair value measurements**

(a) **Financial instruments by category***

Particulars	As at 31 March 2022	As at 31 March 2021
	Amortised Cost	Amortised Cost
Financial assets		
Non-current investments	-	0.00
Other non-current financial assets	1.89	1.92
Trade receivables	0.22	17.88
Cash and cash equivalents	0.59	7.93
Bank Balance other than above	3.04	24.94
Other current financial assets	0.30	0.99
Total	6.04	53.67

Financial liabilities

Non-current Borrowings	1,240.92	1,240.92
Current Borrowings	-	6.89
Trade payables	19.56	2.11
Other financial liabilities*	0.93	12.76
Total	1,261.40	1,262.67

*includes lease liability of Rs.0.17 crores (31st March 2021: Rs.0.17 crores)

(b) **Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at 31 March 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Non-current investments	-	-	-	-
Other non-current financial assets	-	-	1.89	1.89
Trade receivables	-	-	0.22	0.22
Cash and cash equivalents	-	-	0.59	0.59
Bank Balance other than above			3.04	3.04
Other current financial assets	-	-	0.30	0.30
Total financial assets	-	-	6.04	6.04
Financial liabilities				
Non-current Borrowings	-	-	1,240.92	1,240.92
Current Borrowings			-	-
Trade payables	-	-	19.56	19.56
Other financial liabilities	-	-	0.93	0.93
Total financial liabilities	-	-	1,261.40	1,261.40

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at 31 March 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Non-current investments	-	-	0.00	0.00
Other non-current financial assets	-	-	1.92	1.92
Trade receivables	-	-	17.88	17.88
Cash and cash equivalents	-	-	7.93	7.93
Bank Balance other than above			24.94	24.94
Other current financial assets	-	-	0.99	0.99
Total financial assets	-	-	53.67	53.67
Financial liabilities				
Non-current Borrowings	-	-	1,240.92	1,240.92
Current Borrowings			6.89	6.89
Trade payables	-	-	2.11	2.11
Other financial liabilities	-	-	12.76	12.76
Total financial liabilities	-	-	1,262.67	1,262.67

(c) **Fair value of financial assets and liabilities measured at amortised cost**

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Non-current investments	-	-	0.00	0.00
Other non-current financial assets	1.89	1.89	1.92	1.92
Trade receivables	0.22	0.22	17.88	17.88
Cash and cash equivalents	0.59	0.59	7.93	7.93
Bank Balance other than above	3.04	3.04	24.94	24.94
Other current financial assets	0.30	0.30	0.99	0.99
Total	6.04	6.04	53.67	53.67
Financial liabilities				
Non-current Borrowings	1,240.92	1,240.92	1,240.92	1,240.92
Current Borrowings	-	-	6.89	6.89
Trade payables	19.56	19.56	2.11	2.11
Other financial liabilities	0.93	0.93	12.76	12.76
Total	1,261.40	1,261.40	1,262.67	1,262.67

II. **Financial risk management**

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

i. Credit risk

Credit risk is the risk of financial loss to company if a customer or counterparty to the financial instrument fails to meet its financial obligations, and arises principally from the company's receivables from customers.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk other than trade receivable.

The gross carrying amount of trade receivables is ₹ 0.21 Crores (Previous year ended on 31 March 2021 – ₹ 17.88 Crores).

During the period, the Company has made no write-offs of trade receivables. The Company management also pursue all options for recovery of dues wherever necessary based on its internal assessment. The Company assesses the credit quality of the counterparties, taking in to account their financial position, past experience and other factors. Credit risk relating to trade receivable is considered negligible as counterparties are having good credit quality.

ii. Liquidity risk

Liquidity risk refers to risk of financial distress or extra ordinary high financing cost arising due to shortage of liquid funds in a situation where business conditions unexpetedly deteriorate and require financing. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are overseen by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

(a) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	31 March 2022	31 March 2021
Floating rate		
Expiring within one year (bank overdraft and other facilities)	-	-
Secured	0.05	-
Unsecured	-	-
Expiring beyond one year	-	-
Total	0.05	-

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and excluding contractual interest payments and exclude the impact of netting agreements.

Particulars	Carrying Amounts 31 March 2022	Contractual cash flows				
		Total	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	More than 5 year
Non-derivative financial liabilities						
Non-current Borrowings	1,240.92	1,240.92	-	73.00	218.99	948.93
Current Borrowings	-	-	-	-	-	-
Trade payables	19.56	19.56	19.56	-	-	-
Other financial liabilities	0.93	0.93	0.75	0.00	0.00	0.17
Total non-derivative liabilities	1,261.40	1,261.40	20.32	73.00	219	949.10

Particulars	Carrying Amounts 31 March 2021	Contractual cash flows				
		Total	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	More than 5 year
Non-derivative financial liabilities						
Non-current Borrowings	1,240.92	1,240.92	-	-	145.99	1,094.92
Current Borrowings	6.89	6.89	6.89	-	-	-
Trade payables	2.11	2.11	2.11	-	-	-
Other financial liabilities	12.76	12.76	12.58	0.00	0.00	0.17
Total non-derivative liabilities	1,262.67	1,262.67	21.58	0.00	145.99	1,095.09

iii. Market risk

Market risk is the risk that changes in market prices, foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Commodity Price risk

Commodity Price Risk is the risk that future cash flow of the Company will fluctuate on account of changes in market price of the raw material (coal) purchased by the company for production of power. Therefore the Company monitors its purchases closely to optimise the price

(b) Currency risk

The functional currency of the Company is Indian Rupees. The Company do not use derivative financial instruments for trading or speculative purposes. As the Company does not engage in foreign exchange transaction, it is not exposed to currency risk.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company 's interest bearing financial instruments at the end of the reporting period are as follows:

Particulars	31-Mar-22	31-Mar-21
Fixed Rate Instruments		
Financial Assets	4.51	24.95
Financial Liabilities	1,241.09	1 247.98
Total	1,245.60	1,272.93
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	-	-
Total	-	-

Sensitivity analysis

Fixed rate instruments

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

Variable rate instruments

The company has no financial instruments are not subject to interest rate risk for the purpose of sensitive analysis.

38 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity share holders of the Company. The primary objective of the Company's capital management is to safeguard continuity, maintain healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through equity, internal accruals, long term borrowings and short term borrowings. in order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

The gearing ratio for each year is as follows:-

Particulars	As at Macrh 31, 2022	As at Macrh 31, 2021
Current borrowings	-	6.89
Non-current borrowings	1,240.92	1,240.92
Total borrowings	**1,240.92**	**1,247.81**
Less: Cash & cash equivalents	0.59	7.93
Net debt	1,240.33	1,239.87
Total equity attributable to the equity share holders of the company	(715.23)	(665.07)
Capital and net debt	**525.10**	**574.85**
Gearing ratio	**2.36**	2.16

Notes :-

(i) Debt is defined as long -term and short - term borrowings including current maturities as described in notes to financial

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity.

39 Value of imports calculated on C.I.F. basis

Sl. No.	Particulars	Value ₹ In Crores	
		2021-22	2020-21
1	Raw Materials	-	1.33
2	Components and Spareparts	-	-
	Total	-	1.33

40 Consumption of raw materials, spare parts and components

Sl. No.	Particulars	2021-22		2020-21	
		Value	%	Value	%
1	Imported	-	-	1.33	1.53
2	Indigenous	100.15	100.00	85.68	98.47
	Total	**100.15**	**100.00**	**87.02**	**100.00**

41 Remuneration to Directors

Sl. No.	Particulars	2021-22	2020-21
1	Salaries	-	-
2	Perquisites & Allowances	-	-
3	Contribution to provident fund	-	-
4	Sitting Fees	0.11	0.05
5	Commission*	0.30	0.28
	Total	**0.41**	**0.33**

* For FY 21-22 Provision Provided & for FY 20-21 commission is Paid and expensed of in FY 21-22

42 Tax expense

A. Income tax expense

Particualrs	Year ended March 31, 2022	Year ended March 31, 2021
(a) Current tax on profit for the period	-	-
Total current tax expense	-	-

(b) Deferred tax

Decrease/(increase) in deferred tax assets	-	-
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expenses	-	-

Total income tax expenses	-	-

B. Reconciliation of tax expense and accounting profit multiplied by India's tax rate

Particualrs	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(loss) before tax	-	-
Indian tax rate @25.168%	-	-
Deferred tax not recognised during the year*	-	-
Total tax expense as per profit & loss	-	-

* Considering the present financial position and requirement of the Indian Accounting Standard-12 on Accounting for Taxes on Income, regarding certainty/virtual certainty, Deferred tax asset has not been recognised.

43 Earning per share (EPS)

Sl No.	Particulars	2021-22	2020-21
1	Earning available for equity shareholders	(50.21)	(113.22)
2	Weighted average no. of shares	23.01	23.01
3	Basic EPS (Rs./shares)	(2.18)	(4.92)
4	Diluted EPS (Rs./share)	(2.18)	(4.92)

44 Additional information

Sl No.	Particulars	2021-22		2020-21	
		Particulars	*Value	Particulars	Value
1	Installed Capacity (MW)	100	-	100	-
2	Power Generation (KWH)	290,370,000	-	273,511,259	-
3	Power Sold (KWH)	252,899,257	137.88	238,310,830	122.23
4	Raw Material - Consumed (MT)	289,874	93.57	264,132	83.86

*Note - Power sold in value is excluding of ED and TCS

45 The previous year figures are regrouped, rearranged or reclassified to conform with the current year classification.

Note:46

Ratios	Numerator	Denominator	Current year - 2021-22	Previous year - 2020-21	Change in Ratios (%)	Explaination for change > 25%
(a) Current Ratio,	Total current assets	Total current liabilities	2.05	1.68	22%	The increase in current ratio is due to more amount of advance amount with MCL i'e.,Rs. 55.98 crores (net) compared with Rs. 10.78 crores in FY 20-21.
(b) Debt-Equity Ratio,	Debt consists of borrowings and leas	Total equity	-1.82	-1.89	-4%	NA
(c) Debt Service Coverage Ratio,	Earning for Debt Service = Net Profit	Debt service = Interest and lease pa	0.38	0.19	102%	Ratio is Improved due to decrease in Interest cost of Rs.64.36 crores in comparision with FY 20-21.
(d) Return on Equity Ratio,	Profit for the year less Preference div	Average total equity	0.07	0.18	-60%	Ratio is Improved due to decrease in Interest cost of Rs.64.36 crores in comparision with FY 20-21.
(e) Inventory turnover ratio,	Revenue from operations	Average Inventory	18.87	16.68	13%	NA
(f) Trade Receivables turnover ratio,	Revenue from operations	Average trade receivables	15.23	8.167	87%	During FY 21-22 , Trade receivable ratio improved due to receipt of funds from Major customer FACOR in advance to meet working capital requirement.
(g) Trade payables turnover ratio,	Annual net credit Purchases	Average trade payables	2.80	6.27	-55%	Trade payable turnover ratio decreased from last year due to having more trade payables as on 31.03.2022.
(h) Net capital turnover ratio,	Revenue from operations	Total equity	-0.19	-0.18	5%	NA
(i) Net profit ratio,	Profit for the year	Revenue from operations	-0.36	-0.93	-61%	Ratio is Improved due to decrease in Interest cost of Rs.64.36 crores in comparision with FY 20-21.
(j) Return on Capital employed,	Profit before tax and finance costs	Total assets-current liabilities	0.01	0.01	-32%	Ratio is Improved due to increase in Profit before tax and finance cost.
(k) Return on investment	Interest Income	Weighted Average Investments*	0.04	0.05	-24.7%	NA

*Investments includes non-current investment, current investment and margin-money deposit.

As per our report of even date attached,
For SBN & ASSOCIATES
Chartered Accountants
Firm Registration No. 323579E

For and on behalf of the Board,

SBN & ASSOCIATES BHUBANESWAR Chartered Accountants

BIMAL KUMAR BHOOT
Partner
Membership No. 057858

SAUVICK MAZUMDAR
Director
DIN: 07558996

AR NARAYANASWAMY
Director
DIN: 00818169

BALWANT SINGH RATHORE
Chief Executive Officer

ANAND PRAKASH DUBEY
Chief Financial Officer

SAMBIT KUMAR SARANGI
Company Secretary

Date: 21-04-2022
Place : BHADRAK