

Confidential

**FAL POWER  
VENTURES PRIVATE  
LIMITED**

**16**

**SIXTEENTH  
ANNUAL REPORT  
2020-21**

**FAL POWER VENTURES PRIVATE LIMITED**

# **FAL POWER VENTURES PRIVATE LIMITED**

**U04010CT2004PTC017193**

**Regd. Office : 39/2, Nehru Nagar (E), Bhilai, Durg (Chhattisgarh) 490 020**

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## **Board of Directors**

**R K Saraf**

**Vinod Saraf**

**Yogesh Saraf**

## **Bankers**

**State Bank of India**

## **Auditors**

**CA Prem Shankar Rathi**

**Chartered Accountant**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF FAL POWER VENTURES PRIVATE LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **FAL Power Ventures Private Limited** ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes the 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment,

**CA PREM SHANKAR RATHI, B.Com., F.C.A.**

CHARTERED ACCOUNTANTS  
D.No. 6-9-31, Nathani Buildings;  
VIZIANAGARAM – 535 001.  
Email ID: [psrathivzm@gmail.com](mailto:psrathivzm@gmail.com)

Res : 08922-233437  
Mobile: 9346424343

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

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

**Opinion**

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 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 31<sup>st</sup> March 2021 and its loss (including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

**Other Matter**

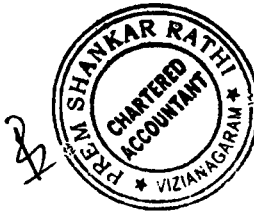
The financial information of the Company for the year ended March 31, 2017 and the transition dated opening balance sheet as at April 1, 2016 included in these Ind As financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 3, 2018, May 2, 2017 and May 4, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the company on transition to the Ind AS have been audited by us.

Our Opinion is not qualified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143 (11) of the Act, ("the Order") and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure-A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 purpose of our audit;

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, the Cash Flow statement and the Statement of Changes in Equity comply with the Accounting standards referred to in Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- I. The company has disclosed the impact of pending litigation as at March 31, 2021 on its financial position in its financial statement;
  - II. The Company did not have any long-term contracts including the derivative contracts as at March 31, 2021 for which there were any material foreseeable losses;
  - III. There was no amount required to be transferred, to the Investors Education and Protection Fund by the Company during the year ended March 31, 2021.



*Prem Shankar Rathi*  
CA. PREM SHANKAR RATHI.  
Chartered Accountants,  
(Member Ship No.207457)

CA. PREM SHANKAR RATHI  
(Member Ship No.207457)

UDIN: 21207457 AAAAV8236

Place: VIZIANAGARAM  
Date: 08-06-2021.

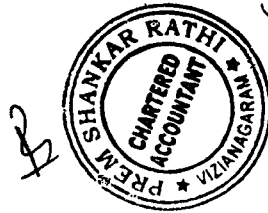
**Annexure A to the Independent Auditor's Report:**

The Annexure referred to in our report to the members of FAL Power Ventures Private Limited ('the Company'), for the year ended 31st March, 2021.

We report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) All the fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
- c) The title deeds of immovable properties are held in the name of the company but yet to be recorded in mutation register.
- ii) Since the company is not carrying on any operations and does not have any inventory during the year, clause 3(ii) of the Order is not applicable.
- iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').
- iv) In our opinion and according to information and explanations given to us, the Company has not given any loan, made any investment, given any guarantee, or provided any securities covered under section 185 and 186 of the Act during the year.
- v) The Company has not accepted any deposits from the public.
- vi) The maintenance of cost records under Section 148(1) of the Act is not applicable as Company is not in operation.
- vii) a) According to the information and explanations given to us, the Company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
- b) There has been no pending disputed statutory dues to be deposited.
- viii) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government.

- ix) The Company has not raised money by way of initial public offer or further public offer (including debt instrument) or term loan.
- x) Based upon the audit procedure performed and information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) The Company has not paid or provided managerial remuneration during the year.
- xii) To the best of our knowledge and according to the information and explanations given to us, company is not a Nidhi Company.
- xiii) To the best of our knowledge and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of share or fully or partly convertible debenture during the year.
- xv) The Company has not entered into any non-cash transaction with directors or persons connected with them.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



*Prem Shankar Rathi*  
CA. PREM SHANKAR RATHI.  
Chartered Accountants,  
(Member Ship No.207457)

CA. PREM SHANKAR RATHI  
(Member Ship No.207457)

Place: Vizianagaram  
Date: 08-06-2021.

## **Annexure B to the Independent Auditor's Report**

### **Report on the Internal Financial controls under clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls over financial reporting of FAL Power Ventures Private Limited ("the Company") as of 31<sup>st</sup> March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



## Meaning of Internal Financial Controls over Financial Reporting

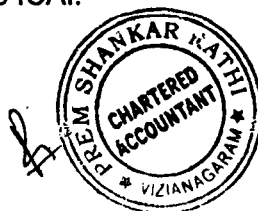
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021, based on 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 ICAI.



*Prem Shankar Rathi*  
CA. PREM SHANKAR RATHI.  
Chartered Accountants,  
(Member Ship No.207457)

CA. PREM SHANKAR RATHI

(Membership No.207457)

Place: Vizianagaram  
Date: 08-06-2021.

**FAL POWER VENTURES PRIVATE LIMITED**  
Balance sheet as at 31 March 2021

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	Notes	As at 31 March 2021	(₹) As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4,679,959	4,679,959
Financial assets			
(i) Other non-current financial assets	4	-	-
<b>Total non-current assets</b>		<b>4,679,959</b>	<b>4,679,959</b>
<b>Current assets</b>			
Financial assets			
(i) Cash and cash equivalents	5	22,299	22,948
<b>Total current assets</b>		<b>22,299</b>	<b>22,948</b>
<b>Total assets</b>		<b>4,702,258</b>	<b>4,702,907</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	6	100,000	100,000
Other equity	7	(115,875,290)	(115,862,141)
<b>Total equity</b>		<b>(115,775,290)</b>	<b>(115,762,141)</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities			
(i) Trade payables		-	-
Micro, Small and Medium Enterprises	8		
Others	8	16,854	16,854
(ii) Other financial liabilities	8	120,450,694	120,438,194
Other current liabilities	9	10,000	10,000
<b>Total Current liabilities</b>		<b>120,477,548</b>	<b>120,465,048</b>
<b>Total liabilities</b>		<b>120,477,548</b>	<b>120,465,048</b>
<b>Total equity and liabilities</b>		<b>4,702,258</b>	<b>4,702,907</b>

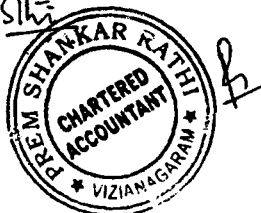
Notes to Financial Statements

1 to 21

The notes referred to above from an integral part of the Balance sheet  
This is the Balance sheet referred to in our report of even date

Prem Shankar Rath  
Chartered Accountant  
Member Ship No.207457

Prem Shankar Rath



For and on behalf of the Board of Directors

*(Signature)*

(R.K.SARAF)  
Director  
DIN: 00006102

*(Signature)*

(YOGESH SARAF)  
Director  
DIN: 00963740

Place: Vizianagaram  
Date: 08-06-2021

**FAL POWER VENTURES PRIVATE LIMITED**  
Statement of Profit and Loss for the year ended 31 March 2021

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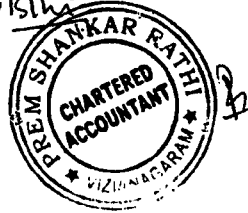
		(₹)	
	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue</b>			
Revenue from operations		-	-
Other Income		-	-
<b>Total income</b>		<u>-</u>	<u>-</u>
<b>Expenses</b>			
Other expenses	11	13,149	14,149
<b>Total Expenses</b>		<u>13,149</u>	<u>14,149</u>
<b>Profit/ (Loss) before tax</b>		<u>(13,149)</u>	<u>(14,149)</u>
<b>Tax expense:</b>			
Current tax	12	-	-
Deferred tax		-	-
<b>Profit/ (loss) for the period (A)</b>		<u>(13,149)</u>	<u>(14,149)</u>
<b>Other Comprehensive Income</b>		-	-
<b>Total Other Comprehensive income for the period (B)</b>		<u>-</u>	<u>-</u>
<b>Total Comprehensive Income for the period (A + B)</b>		<u>(13,149)</u>	<u>(14,149)</u>
<b>Earnings per equity share</b>	13		
Basic		(1.31)	(1.41)
Diluted		(1.31)	(1.41)
<b>Notes to Financial Statements</b>	<b>1 to 21</b>		

The accompanying notes are an integral part of these financial statements  
This is the Statement of Profit and Loss referred to in our report of even date

*Prem Shankar Rath*  
**Prem Shankar Rath**  
Chartered Accountant  
Member Ship No.207457

**Prem Shankar Rath**

Place: Vizianagaram  
Date: 08-06-2021



For and on behalf of the Board of Directors

*R.K. Saraf*

**(R.K.SARAF)**  
Director  
DIN: 00006102

*Yogesh Saraf*

**(YOGESH SARAF)**  
Director  
DIN: 00963740

**FAL POWER VENTURES PRIVATE LIMITED**  
Cash Flow Statement for the year ended 31 March 2021

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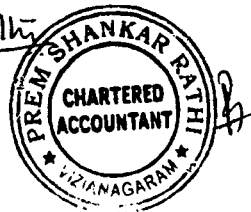
		(₹)	
S. No.	Particulars	2019-20	2020-21
(A)	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax	(13,149)	(14,149)
	Adjustments	-	-
	Operating Profit before Working Capital Changes	(13,149)	(14,149)
	Movement in Working Capital:		
	Increase/(Decrease) in Trade payables	-	-
	Increase/(Decrease) in other current liabilities	-	-
	Cash Generates from Operations	(13,149)	(14,149)
	Less: Income Tax Paid	-	-
	<b>Net Cash Generated from Operating activities (A)</b>	<b>(13,149)</b>	<b>(14,149)</b>
(B)	<b>Cash Flow From Investing Activities (B)</b>		
(C)	<b>Cash Flow From Financing Activities</b>		
	Net Receipt (repayment) of other current financial liabilities	12,500	13,500
	<b>Cash Flow From Financing Activities (C)</b>	<b>12,500</b>	<b>13,500</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A)+ (B) + (C)</b>	<b>(649)</b>	<b>(649)</b>
	Cash and Cash Equivalents at the beginning of the year	22,948	23,597
	<b>Cash and Cash Equivalents as at the end of the year</b>	<b>22,299</b>	<b>22,948</b>

The accompanying notes are an integral part of these financial statements.

As per our report even date.

*Prem Shankar Rath*  
Prem Shankar Rath  
Chartered Accountant  
Member Ship No.207457

Prem Shankar Rath



For and on behalf of the Board of Directors

*R.K. Saraf*

(R.K. SARAF)  
Director  
DIN: 00006102

*Yogesh Saraf*

(YOGESH SARAF)  
Director  
DIN: 00963740

Place: Vizianagaram  
Date: 08-06-2021

# FAL POWER VENTURES PRIVATE LIMITED

Statement of Changes in Equity for the year ended 31 March 2021

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(a) Equity share capital

(₹)

Balance at the 01.04.2019  
Changes in equity share capital during the year  
Balance at the 31.03.2020  
Balance at the 01.04.2020  
Balance at the end of the reporting period  
Balance at the 31.03.2021

No. of Shares	Amount
10,000	100,000
-	-
10,000	100,000
10,000	100,000
-	-
10,000	100,000

(b) Other equity

Balance at 1 April 2019  
Impacts due to Ind AS Adjustments  
Restated balance at the beginning of the reporting period

Profit for the year  
Other comprehensive income/ (loss) for the year  
Total comprehensive income for the year

Balance at 31 March 2020  
Changes in accounting policy / prior period errors  
Restated balance at the beginning of the reporting period

Profit for the year  
Other comprehensive income for the year  
Total comprehensive income for the year

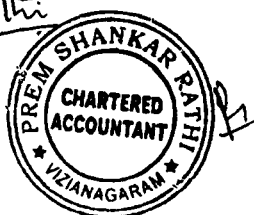
Balance at 31 March 2021

Reserve & Surplus	
Retained earnings	Total
(115,847,992)	(115,847,992)
-	-
(115,847,992)	(115,847,992)
(14,149)	(14,149)
-	-
(14,149)	(14,149)
(115,862,141)	(115,862,141)
-	-
(115,862,141)	(115,862,141)
(13,149)	(13,149)
-	-
(13,149)	(13,149)
(115,875,290)	(115,875,290)

The accompanying notes are an integral part of these financial statements.

As per our report even date.

Prem Shankar Rath  
Prem Shankar Rath  
Chartered Accountant  
Member Ship No.207457



Prem Shankar Rath

For and on behalf of the Board of Directors

R.K. SARAF

(R.K.SARAF)  
Director  
DIN: 00006102

YOGESH SARAF

(YOGESH SARAF)  
Director  
DIN: 00963740

Place: Vizianagaram

Date: 08-06-2021

**FAL Power Ventures Private Limited**  
**Notes to Accounts for the year ended 31<sup>st</sup> March 2021**

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**1. Reporting Entity**

The Company was incorporated in India on 24th December, 2004 and is a subsidiary of Facor Alloys Ltd.

The Company is a Private Limited company incorporated and domiciled in India and has its registered office in Bhilai Durg, Chhattisgarh, India. The company was incorporated with the object of generation of power. The company has not commenced its construction and commercial operation till the date of the Balance Sheet.

**2. Significant Accounting Policies**

**a) Statement of Compliance**

The Company has consistently applied the following accounting policies to all periods presented in the financial statements. The Company has prepared financial statements for the year ended March 31, 2021 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2017 and 1<sup>st</sup> April 2016.

For all the periods up to the year ended March 31, 2016, the Company had prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

These are the Company's first Ind AS financial statements.

**b) Basis of preparation**

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

**c) Functional and presentation currency**

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency.

**d) Use of Judgment and estimates**

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 ongoing basis. Revisions to estimates are recognized prospectively.

**i. Judgments**

Information about the judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements have been given below:

- Fair value measurement of Financial Instruments

**ii. Assumptions and estimation uncertainties**

**FAL Power Ventures Private Limited**  
**Notes to Accounts for the year ended 31<sup>st</sup> March 2021**

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Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment in the financial statements for the year ended 31 March 2021 is included below:

- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources

**e) Property, plant and equipment:**

**i. 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 at sites construction expenditure and interest on the funds deployed.

If significant parts of an item of property, plant and equipment have different useful lives, then they are as a separate item (major components) of property, plant and equipment.

Any gain on disposal of property, plant and equipment is recognized in Statement of Profit and loss.

**ii. Transition to Ind AS**

There is no impact on the transition from previous GAAP to IND AS.

**f) 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.

**Financial Assets**

***Initial recognition and measurement***

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

***Subsequent measurement***

For the purpose of subsequent measurement, financial assets are classified in four categories:

- *Debt instruments at amortized cost*
- *Debt instrument at fair value through Other Comprehensive Income (FVTOCI)*
- *Debt instrument at fair value through profit and loss (FVTPL)*
- *Equity Instrument measured at fair value through Other Comprehensive Income (FVTOCI)*

**Debt instruments at amortized cost**

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

**FAL Power Ventures Private Limited**  
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After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

**Debt instrument at fair value through Other Comprehensive Income (FVTOCI)**

Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVTOCI.

**Debt instrument at fair value through profit and loss (FVTPL)**

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**Equity Instrument measured at fair value through Other Comprehensive Income (FVTOCI)**

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

**Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the company's balance sheet) when:

- The rights - to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.



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When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognised in profit or loss.

***Impairment of financial assets***

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, *Financial Instruments*, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

**Financial liabilities**

***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

***Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities measured at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

***Derecognition of financial liabilities***

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

**Modifications of financial assets and financial liabilities**

***Financial assets***

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

***Financial liabilities***

The company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

**g) Cash and 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 are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

# FAL POWER VENTURES PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2021

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## 3. Property, plant and equipment

8. Property, plant and equipment												(₹)
Particulars	Gross Block				Depreciation				Net Block			
	As at 31 March 2020	Impact of Ind AS Transition	Additions	Deletions	As at 31 March 2021	As at 31 March 2020	Impact of Ind AS Transition	Additions	Deletions	As at 31 March 2021	As at 31 March 2020	
Tangible Assets												
Freehold Land	4,678,099	-	-	-	4,678,099	-	-	-	-	4,678,099	4,678,099	
Computer and Accessories	1,860	-	-	-	1,860	-	-	-	-	1,860	1,860	
Total	4,679,959	-	-	-	4,679,959	-	-	-	-	4,679,959	4,679,959	

Particulars	Gross Block				Depreciation				Net Block		
	As at 1 April 2019	Impact of Ind AS Transition	Additions	Deletions	As at 31 March 2020	As at 1 April 2019	Impact of Ind AS Adjustment	Additions	Deletions	As at 31 March 2020	As at 1 April 2019
Tangible Assets											
Freehold Land	4,678,099	-	-	-	4,678,099	-	-	-	-	4,678,099	4,678,099
Computer and Accessories	1,860	-	-	-	1,860	-	-	-	-	1,860	1,860
Total	4,679,959	-	-	-	4,679,959	-	-	-	-	4,679,959	4,679,959

**FAL POWER VENTURES PRIVATE LIMITED**

Notes to the financial statements for the year ended 31 March 2021

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(₹)

**As at  
31 March 2021****As at  
31 March 2020****4 Other non-current financial assets**  
*Unsecured, considered good*

Others

**5 Cash and cash equivalents**

Balance with banks:

- In current account
- Cash in hand

21,959

22,608

340

340

**22,299****22,948**

(₹)  
As at  
31 March 2020

As at  
31 March 2021

**6 Share capital**

<b>Authorised:</b>		
500,000 (31 March 2020 - 500,000) equity shares of Rs.10/- each	5,000,000	5,000,000
<b>Issued, subscribed &amp; fully paid up:</b>		
10,000 (31 March 2020 - 10,000) equity shares of Rs.10/- each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

**a. Terms and rights attached to equity shares**

The Company has only one class of Equity shares referred to as equity shares each having a par value of Rs. 10/- per share. The Equity Shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 2013.

**b. Reconciliation of number of shares outstanding at the beginning and end of the year :**

	Number of Shares	(₹) Amount
Outstanding at the 1 April 2019	10,000	100,000
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2020	10,000	100,000
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2021	<u>10,000</u>	<u>100,000</u>

**d. Shareholders holding more than 5% shares in the company**

	As at 31 March 2021	As at 31 March 2020
	No. of Shares	No. of Shares
Facor Alloys Limited	10,000	10,000
	Percentage	Percentage
	100.0%	100.0%

**7 Other equity**

(₹)  
As at  
31 March 2020

As at  
31 March 2021

<b>a Retained earnings</b>		
Balance at the beginning of the year	(115,862,141)	(115,847,992)
Ind AS Adjustments	-	-
Add: Profit for the year after taxation as per statement of Profit and Loss	(13,149)	(14,149)
	<u>(115,875,290)</u>	<u>(115,862,141)</u>
<b>Total Equity</b>	<u>(115,875,290)</u>	<u>(115,862,141)</u>

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Notes to financial statements for the year ended 31 March 2021

	As at 31 March 2021	As at 31 March 2020
<b>8 Trade Payable</b>		
Micro Small and Medium Enterprises		
Others	16,854	16,854
	<u>16,854</u>	<u>16,854</u>
<b>9 Other current financial liability</b>		
Loan from Related party	120,450,694	120,438,194
	<u>120,450,694</u>	<u>120,438,194</u>
<b>10 Other current liabilities</b>		
Expense payables	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

# FAL POWER VENTURES PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2021

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**2020-21**

(₹)

For the year ended  
31 March 2021

For the year ended  
31 March 2020

## 11 Other expenses

Unamortised expenses written off

13,149

14,149

Total

13,149

14,149

## 11.1 Payment to Auditor as:

(a) Statutory Auditor

Audit Fees

5,000

5,000

Tax Audit Fees

-

-

Certification and Consultation Fees

-

-

Reimbursement of Expenses

-

-

5,000

5,000

## 12 Income Tax

### 12.1 Income Tax Expenses

Particulars

Current Tax Expenses

Current year

Adjustment for previous Year

(₹)  
Year ended 31st March 2021    Year ended 31st March 2020

-

-

Deferred Tax Expenses

Change in recognised temporary differences

-

-

Total Tax Expenses

-

-

### 12.2 Reconciliation of effective tax rate

Profit/(loss) before tax

(13,149)

(14,149)

Applicable tax rate

22.880%

22.880%

Computed Tax Expenses

(3,008)

(3,237)

Tax Effect of:

Mat Credit difference

Adjustment of earlier year tax

Tax Allowance of Goodwill

Others tax adjustment

3,008

3,237

Tax Expenses recognised in profit and loss

-

-

Effective Tax Rate

0.00%

0.00%

## 13 Earning per share

Profit/ (loss) for the period

(13,149)

(14,149)

Weighted average number of equity shares of Rs. 10/- each (In lacs)

10,000

10,000

EPS - Basic and Diluted

(1.31)

(1.41)

**FAL POWER VENTURES PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2021

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2020-21****14 Contingent liabilities, contingent assets and commitments****A. Contingent Liabilities**

- a. The Company is not having any contingent liabilities, assets and commitments, therefore disclosure is not required according to Ind AS.

**B. Capital And Other Commitments**

- a. Estimated amount of contracts on Capital Account and other commitments remaining to be executed and not provided for in accounts Rs. Nil (Previous Year Rs. Nil)

- 15 The company is not undertaking any activity since its incorporation. On the request made to the Registrar of Companies, the company has been declared as "Dormant" Under Section 455 of the Companies Act, 2013.

**16 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 company has not generated revenue in FY 2020-21 as well as previous years, therefore operating segment wise revenue disclosure is not applicable.

**17 Related Party Disclosure:-****I List of Related Parties:-****A. Name and nature of relationship with the related party where control exists:**

Facor Alloys Ltd. · Holding Company

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

1 Facor Alloys Ltd. · Holding Company

**C. Key Management Personnel**

1 Mr. Vinod Saraf

Director

2 Mr. R.K. Saraf

Director

3 Mr. Yogesh Saraf

Director

**II Transactions with Related Parties during the year ended 31-03-2021 in the ordinary course of business.**

(₹)

Particulars	With Holding Company	
	2020-21	2019-20
a) Unsecured Loans taken	12,500	13,500
b) Balance at year end	120,450,694	120,438,194

**18 Employee benefits**

The company is not in operation during FY 2020-21 and has no employee during the year and therefore disclosure as per Ind AS 19 "Employee Benefits" are not provided.



**FAL POWER VENTURES PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2021

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**19 Financial instruments – Fair values and risk management**
**I. Fair value measurements**
**A. Financial instruments by category\***

Particulars	(₹)	
	As at 31 March 2021	As at 31 March 2020
	Amortised Cost	Amortised Cost
Financial assets		
Cash and cash equivalents	22,299	22,948
	<u>22,299</u>	<u>22,948</u>
*Exclude financial instruments measured at cost		
Financial liabilities		
Trade payables	16,854	16,854
Other financial liabilities	120,450,694	120,438,194
	<u>120,467,548</u>	<u>120,455,048</u>

**B. Fair value hierarchy**

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

- recognised and measured at fair value and
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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

Particulars	(₹)			
	As at 31 March 2021			Total
	Level 1	Level 2	Level 3	
Financial assets				
Cash and cash equivalents	-	-	22,299	22,299
Total financial assets	-	-	22,299	22,299
Financial liabilities				
Trade payables	-	-	16,854	16,854
Other financial liabilities	-	-	120,450,694	120,450,694
Total financial liabilities	-	-	120,467,548	120,467,548

**FAL POWER VENTURES PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2021

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

Particulars	As at 31 March 2020			(₹)
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Cash and cash equivalents	-	-	22,948	22,948
<b>Total financial assets</b>	-	-	22,948	22,948
<b>Financial liabilities</b>				
Trade payables	-	-	16,854	16,854
<b>Other financial liabilities</b>	-	-	120,438,194	120,438,194
<b>Total financial liabilities</b>	-	-	120,455,048	120,455,048

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

**C. Fair value of financial assets and liabilities measured at amortised cost**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Cash and cash equivalents	22,299	22,299	22,948	22,948
	22,299	22,299	22,948	22,948
<b>Financial liabilities</b>				
Trade payables	16,854	16,854	16,854	16,854
<b>Other financial liabilities</b>	120,450,694	120,450,694	120,438,194	120,438,194
	120,467,548	120,467,548	120,455,048	120,455,048

**II. Financial risk management**
**Risk management framework**

The company is exposed primarily to credit, liquid and market risk which may adversely affect the fair value of its financial instruments. The company assesses the unpredictability of financial environment and seeks to mitigate potential adverse effects on the financial performance of the company.

**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 resulting into financial loss to the company. To manage this the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of account receivables.

The company is not exposed to any credit risk as the company is not yet in operation.

**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 unexpectedly 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.

**(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 2021	Total	Upto 1 year	Contractual cash flows		
				Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Trade payables	16,854	16,854	16,854	-	-	-
Other financial liabilities	120,450,894	120,450,894	120,450,894	-	-	-
<b>Total non-derivative liabilities</b>	<b>120,467,748</b>	<b>120,467,748</b>	<b>120,467,748</b>	-	-	-

Particulars	Carrying Amounts 31 March 2020	Total	Upto 1 year	Contractual cash flows		
				Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Trade payables	16,854	16,854	16,854	-	-	-
Other financial liabilities	120,438,194	120,438,194	120,438,194	-	-	-
<b>Total non-derivative liabilities</b>	<b>120,455,048</b>	<b>120,455,048</b>	<b>120,455,048</b>	-	-	-

The company does not have any undrawn borrowing facility.

**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) Price risk**

The company is not exposed to any price risk

**b) Currency risk**

The company is not exposed to any currency risk

**c) Interest rate risk**

The company is not exposed to any currency risk

Since the company does not have any variable rate financial assets or borrowing, there is no sensitivity.

**20 Capital management**

The company manages its capital to ensure that it will be able to continue as going concern while maximising the returns to stakeholders through the optimisation of the debt and equity balance.

The board of the directors of the company review the capital structure of the company on an ongoing basis. As part of this review, the Board considers the cost of capital and risk associated with each class of capital.

**21 The figures for the corresponding previous year has been regrouped / reclassified wherever necessary, to make them comparable.**

As per our report even date.

Prem Shankar Rath  
Chartered Accountant  
Member Ship No. 207457

Prem Shankar Rath

Place: Vizianagaram  
Date: 08-06-2021



For and on behalf of the Board of Directors

(R. K. SARAF)  
Director  
DIN: 00006102

(YOGESH SARAF)  
Director  
DIN: 00963740

