

## **DIRECTORS' REPORT**

**To,  
The Members**

The Directors of your Company are pleased to present the First Annual Report together with the Audited Financial Statements of the Company for the period ended 31<sup>st</sup> March, 2015.

### **STATUS OF PROGRESS OF THE PROJECT**

Your Company was incorporated on 14<sup>th</sup> March, 2014 as wholly owned subsidiary of Jaiprakash Power Ventures Limited. It received Certificate of Commencement of Business on 24<sup>th</sup> March, 2014. Your Company is not carrying on any business operations presently.

### **SHARE CAPITAL**

The paid up Share Capital of the Company as at 31<sup>st</sup> March, 2015 is ₹ 500,000. During the period under review, your Company has not issued any shares with differential rights, sweat equity shares and equity shares under employees' stock option scheme. Your Company has not bought back its own shares during the period under review.

### **DIVIDEND & TRANSFER TO RESERVES**

In the absence of any commercial operations, no dividend is recommended to be declared for the period under report. No amount can be transferred to the Reserves.

### **DEPOSITS**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the period under review. Hence, the details relating to deposits as also requirement for furnishing of details of deposits which are not in compliance with Chapter V of the Act is not applicable.

### **DIRECTORATE**

Shri Sunil Kumar Sharma, Shri Suren Jain and Shri R.K.Narang are first Directors of the Company as per the Articles of Association of the Company. Shri Hemant Kumar was appointed as an Additional Director w.e.f. 27<sup>th</sup> March, 2014 and designated as Managing Director of the Company w.e.f. 28<sup>th</sup> March, 2014.

Shri Hemant Kumar Sharma resigned as Director/ Managing Director of the Company w.e.f. 28<sup>th</sup> February, 2015. Shri Sunil Kumar resigned as Director of the Company w.e.f. 27<sup>th</sup> March, 2015. The Board placed on record its deep appreciation for contribution made by Shri Sunil Kumar Sharma and Shri Hemant Kumar Sharma during their respective tenure on the Board of the Company.

Shri Shyam Datt Nailwal and Shri Alok Gaur were appointed as Additional Directors of the Company w.e.f. 26<sup>th</sup> March, 2015. Resolution for their appointment as Director has been included in the Notice for ensuing Annual General Meeting.

Shri Suren Jain would retire as Director by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors, based on the representation received from the

operating management and after due enquiry, confirm in respect of the Audited Annual Accounts for the period ended 31<sup>st</sup> March, 2015 that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed and that there were no material departures;
- b) the Directors had, in consultation with the Statutory Auditors, selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the period ended 31<sup>st</sup> March, 2015;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis; and
- e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws that such systems were adequate and operating effectively.

### **AUDITORS' REPORT**

The Auditors' Report to the Shareholders on the Accounts of the Company for the Financial Period ended 31<sup>st</sup> March, 2015 does not contain any qualification or adverse remark.

The observations of Auditors in the Auditors' Report and notes to the financial statements are self-explanatory.

### **AUDITORS**

In accordance with the provisions of Section 139(6) of Companies Act, 2013, **M/s R. Nagpal Associates**, Chartered Accountants, New Delhi, having their Firm Registration No. **002626N** were appointed as first Auditors of the Company by the Board in its Meeting held on 14<sup>th</sup> March, 2014. M/s R. Nagpal Associates, Chartered Accountants shall retire at the conclusion of the forthcoming Annual General Meeting and, are eligible for re-appointment.

A written consent for their appointment and a certificate from the Statutory Auditors to the effect that their reappointment, if made, would be in accordance with the conditions as may be prescribed and they fulfill the criteria laid down in Section 141 of the Companies Act, 2013, has been obtained.

The Board has recommended the appointment of M/s. R. Nagpal Associates, Chartered Accountants as Statutory Auditors of the Company to hold till the conclusion of the Sixth AGM of the Company to be held in the year 2020, subject to ratification of their appointment in every AGM.

### **DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company does not have any employee on the Company's roll. However, the Company has in Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Requirements as per section 134 (3) of Companies Act, 2013**

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

There are no contracts or arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013, information in prescribed format AOC-2 is enclosed as **Annexure-1**.

**EXTRACT OF THE ANNUAL RETURN**

The extract of the Annual Return as provided under Section 92(3) of the Companies Act, 2013 (in the prescribed form MGT-9) is enclosed as **Annexure-2**.

**NUMBER OF BOARD MEETINGS**

During the period under report, the meetings of Board of Directors were held on 14<sup>th</sup> March, 2014, 24<sup>th</sup> March, 2014, 27<sup>th</sup> March, 2014, 26<sup>th</sup> May, 2014, 22<sup>nd</sup> September, 2014, 27<sup>th</sup> December, 2014, 28<sup>th</sup> February, 2015 and 26<sup>th</sup> March, 2015.

**PARTICULARS OF REMUNERATION OF EMPLOYEES**

There is no employee in respect of whom particulars of Remuneration of employees as per Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are required to be given.

**PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy and technology absorption stipulated under Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, are not applicable. The foreign exchange earnings and outgo during the period under report are nil.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company had not made any Loan, Guarantees or Investments as per Section 186 of the Companies Act, 2013 during the period under review.

**MATERIAL CHANGES AND COMMITMENTS**

There are no material changes or commitments, affecting the financial position of the Company which have occurred between 31<sup>st</sup> March 2015 (i.e. the end of the financial period to which the financial statements relate) and the date of this Report.

**STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY.**

The provisions pertaining to 'Risk Management Policy' are **not applicable** on the Company. The Directors are monitoring the risks that may arise from time to time and are of the opinion that there are no risks which may threaten the existence of the Company.

**DETAILS ABOUT THE POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE PERIOD**

The provisions of Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) and the related rules are **not applicable** on the Company.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There is no significant/material order passed by the regulators or courts or tribunals impacting the going concern status of the Company.

**ACKNOWLEDGEMENT**

The Board places on record its sincere appreciation and gratitude to its Holding Company and Axis Bank Limited

On behalf of the Board

**(RAJ KUMAR NARANG)**      **(SUREN JAIN)**  
DIRECTOR                      DIRECTOR

Place: Noida

Date : 14<sup>th</sup> May, 2015

**ANNEXURE-1 TO DIRECTORS' REPORT**

**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

- Details of contracts or arrangements or transactions not at Arm's length basis.**  
There were no contracts or arrangements or transactions entered by the Company during the financial period 2014-15, which were not at arms length basis.
- Details of material contracts or arrangements or transactions at arm's length basis.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A.
b)	Nature of contracts/arrangements/ transaction	N.A.
c)	Duration of the contracts / arrangements / transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Date of approval by the Board	N.A.
f)	Amount paid as advances, if any	N.A.

On behalf of the Board

Place: Noida                      **(RAJ KUMAR NARANG)**      **(SUREN JAIN)**  
Date : 14<sup>th</sup> May, 2015                      DIRECTOR                      DIRECTOR

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**  
as on financial year ended on 31/03/2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration ) Rules, 2014.

**I REGISTRATION & OTHER DETAILS:**

i	CIN	U40101HP2014PLC000680
ii	Registration Date	14 <sup>th</sup> March, 2014
iii	Name of the Company	Himachal Karcham Power Company Limited
iv	Category/Sub-category of the Company	Public Company
v	Address of the Registered office & contact details	Juit Complex, Waknaghat, P.O. Dumehar Bani, Kandaghat- 173215, Distt. Solan (H.P.)
vi	Whether listed Company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110055. Phone No.:+91-11-42541234,23541234

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1.	Generation of Power	N.A.	NIL

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

SI No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Jaiprakash Power Ventures Limited Juit Complex, Waknaghat,P.O. Dumehar Bani,Kandaghat-173215, Distt. Solan (H.P.)	L40101HP1994PLC015483	HOLDING	100.00%	2(87)

**IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0	0	50000	50000	100	100
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100</b>	<b>100</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A) = (A) (1)+(A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100</b>	<b>100</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	0	0	0		0	0	0		
<b>(2) Non Institutions</b>									
a) Bodies corporates	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	0	0	0	0	0	0	0	0	0
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(2):</b>	0	0	0	0	0	0	0	0	0
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	0	0	0	0	0	0	0	0	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	0	0	0	0	0	50000	50000	100	100

**(ii) SHARE HOLDING OF PROMOTERS**

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1.	JAIPRAKASH POWER VENTURES LIMITED	0	0	0	50000*	100.00	0	100
	Total	0	0	0	50000*	100.00	0	100

\*6 Equity Shares are held by 6 individual Shareholders, beneficial interest of these Shares are held by Jaiprakash Power Ventures Ltd.

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)**

Sl. No.	Shareholders Name	Share holding at the beginning of the Year			Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	% of shares pledged encumbered to total				No. of shares	% of total shares of the company
1.	JAIPRAKASH POWER VENTURES LIMITED	-	0	0	14th March 2014	50000*	Allotment of Equity Shares	50000*	100
	Total	-	0		-	-	-	50000*	100

\*6 Equity Shares are held by 6 individual Shareholders, beneficial interest of these Shares are held by Jaiprakash Power Ventures Ltd.

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

**(v) Shareholding of Directors & KMP**

Sl. No	Name	Shareholding at the beginning of the year 01.04.2014		Date	Increase/ Decrease in Shareholding	Reason	Shareholding at the end of the year 31.03.15	
		No of shares	% of total shares of the company				No of shares	% of total shares of the company
1	Shri Suren Jain, Director	0	0.00	14/03/2014	1*	Issue of Equity Shares	1*	0.00
2	Shri Raj Kumar Narang, Director	0	0.00	14/03/2014	1*	Issue of Equity Shares	1*	0.00
3	Shri Alok Gaur, Director	0	0.00	-	0	Nil Movement during the year	0	0.00
4	Shri Shyam Datt Nailwal, Director	0	0.00	14/03/2014	1*	Issue of Equity Shares	1*	0.00

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of

**HIMACHAL KARCHAM POWER COMPANY LIMITED**

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

We have audited the accompanying financial statements of **HIMACHAL KARCHAM POWER COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **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, 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 in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the 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 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 financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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, 2015, and its Profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. This report does not include a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, since in our opinion and according to the information & explanations given to us, the said Order is not applicable to the Company.
2. As required by Section 143(3) of the Act, we report that:
  - a) we have 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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company did not have any pending litigations.
    - ii. The Company did not have any material foreseeable losses in respect of any long-term contracts including derivative contracts;
    - iii. Transfer to the Investor Education and Protection Fund is not applicable to the Company.

**For R. NAGPAL ASSOCIATES**  
**Chartered Accountants**  
Firm Registration No. 002626N

Place: Noida  
Dated: 14.05.2015

**(CA. R.Nagpal)**  
**Partner**  
M.NO. 081594

**BALANCE SHEET AS AT 31ST MARCH, 2015**

Particulars	Note No.	Figures as at the end of current reporting period, March 31, 2015
<b>I. SOURCES OF FUNDS</b>		
(1) Share Capital	2	500,000
(2) Reserve and Surplus	3	(109,348)
(3) Current Liabilities		
Other current liabilities	4	11,236
<b>TOTAL</b>		<b>401,888</b>
<b>II. APPLICATION OF FUNDS</b>		
Current assets		
(a) Cash and cash equivalents	5	399,079
(d) Other current assets	6	2,809
<b>TOTAL</b>		<b>401,888</b>
Summary of significant accounting policies	1	

The Note nos. 1 to 12 are integral part of the financial statements

**For R. Nagpal Associates**

**For and on Behalf of the Board**

Chartered Accountants

Firm Registration No. 002626N

**R. Nagpal**

**R. K. Narang**

**Suren Jain**

Partner

Director

Director

M.No. 081594

DIN No. 00013629

DIN No. 00011026

Dated: 14th May 2015

Place: Noida

**STATEMENT OF PROFIT & LOSS FOR THE PERIOD  
14TH MARCH 2014 TO 31ST MARCH, 2015**

Particulars	Note No.	Figures at the end of current reporting period, 31st March 2015
<b>I</b> Revenue from operations		-
<b>II</b> Other Income		-
<b>III</b> Total Revenue		-
<b>IV</b> Expenses :		
Other expenses	7	109,348
<b>V</b> Total expenses		109,348
<b>VI</b> Profit before tax (III-V)		(109,348)
<b>VII</b> Tax Expense :		
Current tax		-
<b>VIII</b> Profit/(loss) for the period (III-IV)		(109,348)
<b>IX</b> Basic and Diluted Earning Per Share (EPS), (in ₹)		(2.08)
Summary of significant accounting policies	1	

The Note nos. 1 to 12 are integral part of the financial statements

**For R. Nagpal Associates**

**For and on Behalf of the Board**

Chartered Accountants

Firm Registration No. 002626N

**R. Nagpal**

**R. K. Narang**

**Suren Jain**

Partner

Director

Director

M.No. 081594

DIN No. 00013629

DIN No. 00011026

Dated: 14th May 2015

Place: Noida

**Notes to the financial statements for the year ended March 31, 2015**
**NOTE 1**
**Corporate Information**

Himachal Karcham Power Company Limited (HKPCL) was incorporated on March 14, 2014 as a wholly owned subsidiary of Jaiprakash Power Ventures Limited to set up power projects - Hydro-electric or Thermal, and to carry on the business of general electric power supply in any or all of its branches and to construct, lay down, establish and carry out all necessary power stations, cables and wires, etc and to generate, accumulate, distribute and supply electricity and to light cities, town, villages, streets etc. and any other places, both public and private.

**Basis of Preparation of Financial Statements**

**A** The financial statements are prepared under historical cost convention, on accrual basis, on the principles of going concern, in accordance with the generally accepted accounting principles, the relevant accounting standards and the relevant guidance notes issued by the Institute of Chartered Accountants of India (ICAI) and the applicable provisions of the Companies Act, 2013.

**B Revenue Recognition**

Expenditure and Income are accounted for on accrual basis.

**C Fixed Assets**

Fixed Assets are stated at Cost of procurement or construction inclusive of freight, erection & commissioning charges, duties and taxes, expenditure during construction period, Interest on borrowings, financing cost and foreign exchange loss/gain, up to the date of commissioning.

**D Expenditure during Construction Period**

Expenditure incurred on project during construction/ implementation will be capitalized and apportioned to various assets on commissioning of the project.

**E Preliminary Expenditure**

Preliminary Expenditure is written off in the year in which it is incurred, in terms of Accounting Standard 26 (AS-26).

**F Taxes on Income**

Current Tax is determined as per the provisions of the Income Tax Act, 1961 in respect of Taxable Income for the year. Deferred Tax Assets and Deferred Tax Liabilities are computed by applying tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet Date.

**G Provisions, Contingent Liabilities and Contingent Assets(AS-29)**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements

**H Earning Per Share**

Basic earning per equity share is computed by dividing the net profit or loss after tax by the weighted average number of equity shares outstanding during the period.

**J Cash & Bank Balance**

Cash and bank balances comprise cash and cash on deposit with banks. The Company considers all investments that are readily convertible to known amounts of cash to be cash equivalents.

**K Cash Flow Statements**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**NOTE - 2**

SHARE CAPITAL	
AUTHORISED	
50,000 EQUITY SHARES OF ₹10/-EACH	500,000
	500,000
Issued, Subscribed and Fully Paid up	
50,000 Equity Shares of ₹ 10/- each fully paid up.	500,000
	500,000

**Note 2.1 - Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	Figures as at the end of current reporting period, March 31, 2015	
	Equity Shares Number	₹
Shares issued during the Period	50,000	500,000
Shares brought back during the Period	-	-
Shares outstanding at the end of the Period	50,000	500,000

**2.2 Terms / Rights**

The Company has issued only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. Each Share is entitled to equal dividend declared by the Company and approved by the Share holders of the Company.

In the event of liquidation, each share carries equal rights and will be entitled to receive equal amount per share out of the remaining amount available with the Company after making preferential payments.

**Note 2.3** - Equity Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

Jaiprakash Power Ventures Ltd.      The Holding Company

**2.4 Details of Shareholder holding more than 5% Shares:**

Name of Shareholder	Number	% of holding
Jaiprakash Power Ventures Ltd.	50,000 shares	100

\*6 Equity Shares of ₹ 10/- are held one each by six nominees jointly with Jaiprakash Power Ventures Ltd., beneficial interest of which is with Jaiprakash Power Ventures Ltd.

2.5 Other clauses of Share Capital are not applicable to the company.

NOTE - 3	₹
<b>RESERVES &amp; SURPLUS</b>	
Surplus - Balance in Statement of Profit and Loss	
Profit/(Loss) for the period	(109,348)
	(109,348)

NOTE - 4	₹
<b>CURRENT LIABILITIES</b>	
Other Current Liabilities	
- Audit Fee Payable	11,236
	11,236

NOTE - 5	₹
<b>Cash and Cash Equivalents</b>	
Cash and Bank Balances	
(a) Cash in hand	-
(b) Balances in Banks	
In Current Account	399,079
	399,079

NOTE - 6	₹
<b>Other Current Assets</b>	
Prepaid Expenses	2,809
	2,809

NOTE - 7	₹
<b>Other Expenses</b>	
Audit Fee	11,236
Filling Fee	921
Demat Charges	14,045
General Expenses	470
Legal & Professional expenses	35,708
Preliminary Expenses written off	46,968
	109,348



**Note 8**
**List of Related Parties (in terms of "Accounting Standard [AS 18] for FY 2014-15:**
**(a) Holding Company**

Jaiprakash Power Ventures Limited (JPVL)

**(b) Ultimate holding Company**

Jaiprakash Associates Limited (JAL)

**(c) Fellow Subsidiary Companies:**

- (1) Jaypee Powergrid Limited (JV Subsidiary of JPVL)
- (2) Sangam Power Generation Company Limited (Subsidiary of JPVL)
- (3) Prayagraj Power Generation Company Limited (Subsidiary of JPVL)
- (4) Jaypee Arunachal Power Limited (JV Subsidiary of JPVL)
- (5) Jaypee Meghalaya Power Limited (Subsidiary of JPVL)
- (6) Himachal Baspa Power Company Ltd. (Subsidiary of JPVL)
- (7) Jaypee Ganga Infrastructure Corporation Limited (Subsidiary of JAL)
- (8) Himalyan Expressway Limited (Subsidiary of JAL)
- (9) Jaypee Infratech Limited (Subsidiary of JAL)
- (10) Jaypee Sports International Limited (Subsidiary of JAL)
- (11) Jaypee Cement Corporation Limited (Subsidiary of JAL)
- (12) Bhilai Jaypee Cement Limited (JV Subsidiary of JAL)
- (13) Bokaro Jaypee Cement Limited (upto 28.11.2014)
- (14) Gujarat Jaypee Cement & Infrastructure Limited (JV Subsidiary of JAL)
- (15) Jaypee Agra Vikas Limited (Subsidiary of JAL)
- (16) Jaypee Fertilizers & Industries Limited (Subsidiary of JAL)
- (17) Jaypee Assam Cement limited (Subsidiary of JAL)
- (18) Himalayaputra Aviation Limited (Subsidiary of JAL)
- (19) Jaypee Healthcare Limited (subsidiary of Jaypee Infratech Limited)
- (20) Jaypee Cement Cricket (India) Limited (subsidiary of JPSI)

(21) Jaypee Cement Hockey (India) Limited (subsidiary of JPSI)

(22) Jaiprakash Agri Initiatives Company Limited (subsidiary of JCCL)

**(d) Associate Companies / Concerns :**

- (1) Jaypee Infra Ventures (A Private Company with unlimited liability)
- (2) Jaypee Development Corporation Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability))]
- (3) JIL Information Technology Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability))]
- (4) Gaur & Nagi Limited (subsidiary of JIL Information Technology Limited)
- (5) Indesign Enterprises Pvt. Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability)).
- (6) Jaypee Uttar Bharat Vikas Private Limited (JV Associate Co.)
- (7) Kanpur Fertilisers and Cement limited (subsidiary of Jaypee Uttar Bharat Vikas Pvt. Limited )
- (8) Jaypee International Logistics Company Private Limited [(subsidiary of Jaypee Infra Ventures (A Private Company with unlimited liability))]
- (9) Tiger Hills Holiday Resort Private Limited (subsidiary of Jaypee Development Corporation Limited)
- (10) Anvi Hotels Private Limited (subsidiary of Jaypee Ventures (A Private Company with unlimited liability)
- (11) RPJ Minerals Private Limited
- (12) Sarveshwari Stone Products Pvt. Ltd. (subsidiary of RPJ Minerals Private Limited)
- (13) Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
- (14) Sonebhadra Minerals Private Limited
- (15) MP Jaypee Coal Limited (JV Associate Co.)
- (16) Madhya Pradesh Jaypee Minerals Limited (JV Associate Co.)
- (17) MP Jaypee Coal Fields Limited (JV Associate Co.)
- (18) Jaiprakash Kashmir Energy Limited
- (19) Andhra Cements Limited (subsidiary of Jaypee Development Corporation Limited).

**(2) Transactions carried out with related parties referred to above for the Current reporting period, March 31, 2015**

Name of Transactions	Related Parties				
	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(d) above	Referred in 1(e) above
Expenses					
Share Capital	500,000	-	-	-	-

**Note 9**

Disclosure as required under Notification No. G.S.R. 719 (E) dated 16th November, 2007 issued by the Department of Company Affairs (As certified by the Management):

Particulars	Figures for the current reporting period, March 31, 2015
a) The principal amount and interest due thereon remaining unpaid to any supplier	
-Principal Amount	Nil
-Interest Amount	Nil
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of payment made to the suppliers beyond the appointed day.	Nil
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil
d) The amount of interest accrued and remaining unpaid	Nil
e) The amount of further interest remaining due and payable even in the succeeding period, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil

**Cash Flow Statement for the period 14.3.2014 to 31.03.2015**

	₹
<b>A. Cash flow from operating activities</b>	
Profit before tax	(109,348)
<b>Add:</b>	
Preliminary expenses written off	46,968
<b>Deduct:</b>	
Increase (Decrease) in Trade Payables	11,236
Changes in Current Assets	(2,809)
<b>Net cash inflow from operating activities 'A'</b>	(53,953)
<b>B. Cash flow from Investing activities</b>	
<b>Inflow</b>	
Share Capital	500,000
<b>Outflow</b>	
Preliminary expenses incurred	(46,968)
<b>Net cash used in investing activities 'B'</b>	453,032
<b>C. Cash flow from Financing activities</b>	
<b>Net cash from financing activities 'C'</b>	-
<b>Net increase/(Decrease) in cash or cash equivalent (A+B+C)</b>	399,079

**NOTE - 10**

Since these Financial Statements are for the first accounting year of the Company, there are no comparative figures for previous Period.

**NOTE - 11**

Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.

	₹
- Profit after Tax	(109,348)
- No. of Shares	50,000
- Weighted Average shares for the Period	52,466
- Weighted EPS	(2.08)

**NOTE - 12**

All the figures have been rounded off to the nearest rupees

Signatures to Note Nos. 1 to 12.

**For R. Nagpal Associates**

**For and on Behalf of the Board**

Chartered Accountants

Firm Registration No. 002626N

**R. Nagpal**

**R. K. Narang**

**Suren Jain**

Partner

Director

Director

M.No. 081594

DIN No. 00013629

DIN No. 00011026

Dated: 14th May 2015

Place: Noida

	₹
Cash & cash equivalent at the commencement of the year (Opening balance)	-
Cash & cash equivalent at the end of the year (closing balance)	399,079

Note:

(i) Cash & Cash Equivalents

As per Note 5 to the financial statement.

(ii) The Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard (AS-3) 'Cash Flow Statements'

**For R. Nagpal Associates**

**For and on Behalf of the Board**

Chartered Accountants

Firm Registration No. 002626N

**R. Nagpal**

**R. K. Narang**

**Suren Jain**

Partner

Director

Director

M.No. 081594

DIN No. 00013629

DIN No. 00011026

Dated: 14th May 2015

Place: Noida