

K. Rajagopal, B.Sc.,FCA,ACS
Chartered Accountant
Membership No: 023716

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To the Members of **RCI Power LIMITED**

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of **RCI POWERLIMITED** ("the Company"), and its subsidiaries together referred to as "the Group") which comprise the Balance Sheet as at March 31, 2020, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Holding 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 and presentation of consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the consolidated audit report under the provisions of the Act and the Rules made thereunder.

I have conducted the audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India and u/s 143(10) of the Companies Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated 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 control relevant to the Holding Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe the audit evidence that I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the consolidated 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:



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- a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2020;
- b) in the case of the consolidated Statement of Profit and Loss, of the Profit for the year ended on that date.
- c) in the case of the consolidated Cash Flow Statement, of Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I attach in the Annexure 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, I report that:
 - a. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - b. In my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
 - c. The Balance Sheet dealt with by this Report is in agreement with the books of account;
 - d. In my opinion, the aforesaid consolidated 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 written representations received from the directors of the Holding company as on March 31, 2020, and taken on record by the Board of Directors of the holding company, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164 (2) of the Act of the Companies Act, 2013.
 - 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 my opinion and to the best of my information and according to the explanations given to me:
 - i. The Group does not have any pending litigations except for an appeal filed by the Income Tax Department with the Honourable High Court of Madras on an order passed by the Income Tax Appellate Tribunal in favour of the company with respect to the Holding company. The amount involved is Rs. 1.67 crores
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. The Group is not required to transfer any amount to the Investor Education and Protection Fund.

Place: Chennai
Date : 26.08.2020

K Rajagopal

K Rajagopal
Chartered Accountant
M. No. 023716

UDIN No: 20023716AAAA Bw2423



ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF RCI POWER LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of RCI Power Ltd ('the Holding Company') and its subsidiary companies as of 31st March, 2020 in conjunction with my audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, are responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that are 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.

Auditors' Responsibility

My responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on my audit. I conducted my 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I 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. My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Group'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 authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting



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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 my opinion, the Holding company and its subsidiaries have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting are operating effectively as at 31-Mar-2020.

K Rajagopal
K Rajagopal

Chartered Accountant
Membership No. 023716

UDIN No: 200223716AAAABW2423





Place : Chennai
Date : 26.08.2020



RCI POWER LIMITED

Consolidated Statement of Profit & Loss for the year ended 31st March 2020

(Amount in INR)

Particulars	Note No	For the year ended 31.03.2020	For the year ended 31.03.2019
I. Revenue from operations	14	-	16,980,000
II. Other Income		-	
III. Total Revenue (I +II)		-	16,980,000
<i>III Expenses</i>			
<i>Direct Expenses</i>			
<i>Indirect Expenses</i>			
Expenditure on Employees	15	1,816,740	-
Selling, Administration & other expenses	16	1,199,717	1,330,051
Financial costs	17	14,835	55,489
Total Expenses		3,031,292	1,385,540
IV. Profit before tax		(3,031,292)	15,594,460
V. Provision for Taxation		-	3,107,808
VI. Profit/(Loss) for the year		(3,031,292)	12,486,652
VII. Earning per equity share:			
(1) Basic		(0.20)	0.83
(2) Diluted		(0.20)	0.83
Statement of Significant Accounting Policies	1		
The accompanying notes are and integral part of the financial statements			
For and on behalf of the Board			
			
K Rajagopal Chartered Accountant M.No: 023716 UDIN No: 200223716 Place : Chennai Date : 26.08.2020	S Jagannathan Director DIN: 00057331	A Sriram Director DIN 00053958	
			

RCI POWER LIMITED

Consolidated Cash flow Statement for the year ended 31st March, 2020

Particulars	(Amount in INR)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	(3,031,292)	15,594,460
Profit before tax from discontinuing operations	-	-
Profit before tax	(3,031,292)	15,594,460
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation / Amortization	-	-
Interest Expense	-	-
Operating Profit before working capital changes	(3,031,292)	15,594,460
Adjustments for:		
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease in Trade Receivables	-	-
(Increase) / Decrease in Other Assets	(414,111)	(215,874)
Increase/ (Decrease) in Trade Payables	-	(253,681)
Increase/ (Decrease) in Provisions	(930,714)	-
Increase/ (Decrease) in Other Current Liabilities	22,778,600	6,507,410
Cash Generated from/ (used in) operations	18,402,483	21,632,315
Direct Taxes (Net of Refunds)	-	(2,487,614)
Net Cash Flow From/ (Used in) operating Activities (A)	18,402,483	19,144,701
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including intangible assets, CWIP	-	-
Net Cash Flow From/ (Used in) Investing Activities (B)	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	-19,566	-22,093
Proceeds from Loans	-19,813,447	-19,718,349
Proceeds from Other Financial Liabilities	255,314	0
Interest Paid	0	0
Net Cash Flow From/ (Used in) Financing Activities (C)	(19,577,699)	(19,740,442)
Net Increase/ (decrease) in cash and cash equivalents (A+B+C)	(1,175,216)	(595,741)
Cash and Cash equivalents at the beginning of the year	1,436,643	2,032,384
Cash and Cash equivalents at the end of the year	261,426	1,436,643
NOTE:		
Cash and Cash equivalents as per Balance Sheet	261,426	1,436,643

As per my report attached

K Rajagopal
K Rajagopal

Chartered Accountant

M.No: 023716

UDIN No: 2002237

Place : Chennai

Date : 26.08.2020



for and on behalf of the Board

S Jagannathan

S Jagannathan

Director

DIN: 00057331

A SriRam

A SriRam

Director

DIN 00053958

RCI POWER LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

Note No: 1

1. General information

- a. The financial statements have been prepared and presented as per provisions of Schedule III of the Companies Act 2013.
- b. All amounts in the financial statements are presented in rupees, except as otherwise stated.

2. Company overview

RCI WINDFARM LIMITED is an entity engaged in the business of generation of energy from wind.

Note : 1 Significant accounting policies

1) Basis of preparation of financial statements

The Consolidated financial statements are prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) applicable in India, including the accounting standards notified under the relevant provisions of the Companies Act, 2013.

2) Principles of consolidation

The consolidated financial statements relate to RCI Power Limited (“the Company”) and its subsidiary companies (collectively referred to as “the Group”).

The subsidiary companies considered for consolidation in the financial statements are as follows:

Sl, No.	Name of subsidiary	Year ended dated	Proportion of ownership interest
1	RCI Wind Farm (30) MW Pvt Ltd	31.03.2020	100%
2	RCI Wind Farm (50) MW Pvt Ltd	31.03.2020	100%

The consolidated Financial Statements have been prepared on the following basis:

- a) The financial statements of the company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions resulting in unrealised profits or losses in accordance with the accounting Standard (AS) 21 – Consolidated Financial Statements”.
- b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements.

3) Segment Reporting:

The group has identified business segment as infrastructure development.

4) Other significant accounting policies

These are set out under “Significant Accounting Policies” as given in the Holding Company’s separate financial statements.



5) Related party disclosure

List of Related Parties:

Entities with common directors

- 1) RCI Power (AP) Ltd
- 2) RCI Wind Farm (30MW) Pvt Ltd
- 3) RCI Wind Farm (50MW) Pvt Ltd
- 4) Shri Housing Pvt Ltd
- 5) Crimson Investments Ltd

Holding Company

- 1) Premier Energy and Infrastructure Ltd

Loans and advances given to / taken from related parties:

Related Party	Relationship	Opening Balance DR (CR)	Paid during the year	Received during the year	Closing Balance DR DR (CR)
RCI Wind Farm 30 MW Pvt Ltd	Subsidiary	1,59,804	23,183		1,82,987
RCI Wind Farm 50 MW Pvt Ltd	Subsidiary	1,28,271	20,683		1,46,954
RCI Power (AP) Ltd	Common director	(76,32,509)	63,432		(75,69,077)
Crimson Investments Ltd	Common director	6,18,98,986	23791352	39,77,905	8,17,12,433
Shri Housing Pvt Ltd	Common director	3,98,43,741	40,000	40,000	3,98,43,741
Premier Energy and Infrastructure Ltd	Holding Company	Nil	51,814,111	51,81,411	Nil

6. Figures have been regrouped and reclassified wherever necessary

K Rajagopal

K Rajagopal
Chartered Accountant
Membership No.023716

UDIN No: 200223716AAA



for and on behalf of the board

S Jagannathan

S Jagannathan
Director
DIN: 00057331

A Sriram

A Sriram
Director
DIN: 00053958

Place: Chennai
Date : 26.08.2020

RCI POWER LIMITED

**Note 2
Fixed Assets**

(Amount in INR)

Asset	Gross Block			Depreciation			Net Block			
	Opening balance as on 01.04.19	Additions	Deletions	Closing Balance as on 31.03.20	Opening balance as on 01.07.18	Additions	Deletions	Closing Balance as on 31.03.20	As at 31st March 2020	As at 31st March 2019
Tangible asset										
Land	581,750,000	-	-	581,750,000	-	-	-	-	581,750,000	581,750,000
Previous Year	581,750,000	-	-	581,750,000	-	-	-	-	581,750,000	581,750,000
Capital Work in Progress	23,635,812			23,635,812	-	-	-	-	23,635,812	23,635,812
Previous Year	23,635,812			23,635,812	-	-	-	-	23,635,812	23,635,812
Total	605,385,812	-	-	605,385,812	-	-	-	-	605,385,812	605,385,812
Previous year	605,385,812	-	-	605,560,812	-	-	-	-	605,385,812	605,385,812



RCI POWER LIMITED

Notes Forming part of Financials Statements as at 31st March, 2020

	As at March 31, 2020	As at March 31, 2019
Note 3		
Long Term Loans and Advances		
Loans & Advances given to Related Parties	121,556,173	101,742,726
	121,556,173	101,742,726
Note 4		
Other Non Current Assets		
Deposit	40,000	-
	40,000	-
Note 5		
Cash and bank balances		
Balance with banks		
in current account	57,841	1,253,663
Cash in hand	203,585	182,980
Total	261,426	1,436,643
Note 6		
Short Term Loans and Advances		
Advance to subsidiary	-	-
Other Advances	525,907	195,662
Deposits	13,500	13,500
Total	539,407	209,162
Note 7		
Share Capital		
Authorized Share Capital:		
150,00,000 (Previous Year 150,00,000) Equity shares of Rs.10 each	150,000,000	150,000,000
Issued, Subscribed and Fully Paid up Share Capital:		
150,00,000 (Previous Year 150,00,000) Equity shares of Rs.10 each	150,000,000	150,000,000
Total	150,000,000	150,000,000
Reconciliation of number of shares		
	<i>As at March 31,</i>	<i>As at March</i>
<i>Particulars</i>	<i>2020</i>	<i>31, 2019</i>
Number of equity shares at the beginning of the year	15,000,000	15,000,000
Number of equity shares at the end of the year	15,000,000	15,000,000
Number of shares held by share holders more than 5% of total shares		
<i>Name of the Shareholder</i>	<i>% of holding</i>	<i>31.03.20</i>
Premier Energy and Infrastructure Limited	100.00%	15,000,000
Terms / Rights attached to Equity shares:		
The company is presently having one class of equity shares having a par value of Rs. 10/= per share. Every share holder is entitled to one vote per share.		
In the event of winding up of the company, the Equity Shareholders will be entitled to receive the assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.		
Note 8		
Reserves and Surplus		
Revaluation reserve		
Opening balance	579,816,430	579,816,430
Add: On revaluation of fixed assets		
Closing balance	579,816,430	579,816,430
Surplus from Profit & Loss account		
Opening balance	(62,330,854)	(74,817,506)
Add: Current year surplus	(3,031,292)	12,486,652
Closing balance	(65,362,147)	(62,330,855)
Total	514,454,283	517,485,575
Note 9		
Long Term Borrowings		
Unsecured Loan from Related Parties	7,569,077	7,632,509
Total	7,569,077	7,632,509



RCI POWER LIMITED
Notes Forming part of Financials Statements as at 31st March, 2020

	As at March 31, 2020	As at March 31, 2019
Note 10		
Other Long Term Liabilities		
Lease Deposit	2,800,000	2,800,000
Total	2,800,000	2,800,000
Note 11		
Other Financial Liabilities		
Accrued Employees benefits	226,400	-
Other Payables	610,960	522,046
	837,360	522,046
Note 12		
Current Tax Liability		
Provision for income tax (net of advance tax)	9,577,366	10,508,080
Total	9,577,366	10,508,080
Note 13		
Other Current Liabilities		
Cus;tomers Credit Balances	33,710,782	11,110,782
Statutory Liabilities	8,833,951	8,715,351
Total	42,544,733	19,826,133
Note 14		
Income		
Lease Rental	-	16,980,000
Total	-	16,980,000
Note 15		
Expenditure on Employees		
Salary and Allownces		
Staff Welfare	1,800,000	-
	16,740	-
Total	1,816,740	-
Note 16		
Selling, Administration & other expenses		
Audit Fees	30,000	30,000
Communication Expenses	4,460	15,628
Professional Charges	214,800	90,000
Fees to Depositories	134,250	-
Office Maintenance	284,866	92,237
Miscellaneous Expenses	25,501	9,983
ROC Filing Fees	40,000	80,700
Printing & Stationery	22,107	6,070
Rent	6,000	6,000
Conveyance	168,447	1,282
Prior Year Expenses	-	144,804
Interest on Income Tax	269,286	853,347
Total	1,199,717	1,330,051
Note 17		
Finance costs		
Bank charges	14,835	55,489
Total	14,835	55,489

