

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors are pleased to present the Sixteenth Annual Report, together with the Audited Financial Statements as at 31<sup>st</sup> March 2023.

**FINANCIAL HIGHLIGHTS**

The Highlights of the financial performance for the year ended 31st March, 2023 are as under:  
(` in Hundred)

Particulars	2022-23	2021-22
Income	Nil	Nil
Less: Expenditure	177.35	197.11
Profit/(Loss)	(177.35)	(197.11)

**SHIFTING OF REGISTERED OFFICE OF THE COMPANY**

The Company in its Board Meeting held on 11<sup>th</sup> November, 2022 has approved shifting of registered office of the Company from the State of West Bengal to State of Meghalaya. The Company has filed the requisite form with respective ROC and the same is under process.

**DIVIDEND**

Since the operations of the Company has not yet commenced, there has been no profit and consequently no dividend has been recommended.

**RESERVES**

During the year under review no amount was transferred to reserves.

**SHARE CAPITAL**

The paid up Equity Share Capital as on 31st March, 2023 was ₹ 7.00 lacs. During the year under review, the Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity shares.

**HOLDING COMPANY**

Your Company continues to be a 100% subsidiary of Star Cement Limited (Formerly Cement Manufacturing Company Limited.)

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the year under review, your Company has not given any loan or made any investment or provided guarantee or security in connection with a loan to any person falling under ambit of Section 186 of the Companies Act, 2013.

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

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

## ANNUAL RETURN

Pursuant to Provision of Section 134(3)(a) and Section 92(3) read with Rule 11 & 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the requirement to attach the Extract of Annual Return has been omitted vide Companies (Management and Administration) Amendment Rules, 2021. Since the company does not possess any website thus, it is not required to upload the Annual Return on the website and to provide web link thereof on the Board's Report. Further, a copy of the Annual Return for the Financial Year 2022-23, shall be filed with the ROC.

## MEETINGS OF THE BOARD

During the year four (4) Board Meetings were convened and held on 16<sup>th</sup> May, 2022, 01<sup>st</sup> August, 2022, 11<sup>th</sup> November, 2022 and 2<sup>nd</sup> February, 2023. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Name of the Director	Category	No. of Meeting	
		Held	Attended
Mr. Rajesh Kumar Agarwal	Director	4	4
Mr. Pradeep Purohit	Director	4	3
Mr. Ghanshyam Agarwal	Director	4	4

## COMPLIANCE WITH THE SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards as recommended by the Institute of Company Secretaries of India.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134 (3) (c) read with section 134(5) of the Companies Act, 2013 the Directors hereby confirm and state that:

- That in the preparation of Annual Account, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- The Directors have selected such Accounting policies and have 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 as at 31st March, 2023 for the year under review.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on going concern basis.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## DIRECTORS

In accordance with the provisions of Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Ghanshyam Agarwal will retire by rotation and being eligible,

offers himself for re-appointment. In view of his considerable experience, your Directors recommend his re-appointment as Director of the Company.

#### **DECLARATION BY INDEPENDENT DIRECTOR**

The provisions of Section 149 of the Companies Act, 2013 with respect to appointment of Independent Directors are not applicable to your Company. Therefore, the requirement of obtaining the declaration confirmation from the Independent Director, is not applicable to the Company.

#### **AUDITORS & AUDITORS' REPORT**

M/s. Sarda Soni Associates LLP, Chartered Accountants (Firm Regn. No. 117235W) Kolkata, Statutory Auditors of the Company, have been appointed by the members at the Twelfth Annual General Meeting and shall hold office for a period of 5 years from the date of such meeting held on 24th September, 2019.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

#### **REPORTING OF FRAUD**

The Auditor of the Company have not reported any fraud as specified under section 143(12) of the Companies Act, 2013.

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

During the year under review, the Company has not undertaken any manufacturing activity and hence particulars of statement under Section 134 (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 for conservation of energy and technology absorption are not applicable to the Company.

Your Company has neither earned any foreign exchange earnings, nor incurred any foreign exchange outgo during the year under review.

#### **DEPOSITS**

The Company has not accepted any deposits during the financial year under review within the meaning of Section 73 of the companies Act, 2013.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS**

During the year under review, there has been no material orders passed by the Regulators/Courts impacting materially the going concern status or future operations of the Company.

#### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

No material changes or commitments have occurred between the end of the financial year and the date of this Report which affect the financial statements of the Company in respect of the reporting year.

## DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There was no application made or proceeding pending against the company under the Insolvency and Bankruptcy Code, 2016, during the year under review.

## DETAILS OF DIFFERENCE IN VALUATION

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

## POLICY ON PREVENTION OF SEXUAL HARASSMENT

The Company values the integrity and dignity of its employees. The Company has put in place a 'Policy on Prevention of Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). We affirm that adequate access has been provided to any complainants who wish to register a complaint under the policy. No complaint was received during the year.

## RISK MANAGEMENT

Risk management refers to the practice of identifying potential risks in advance, analyzing them and taking precautionary steps to reduce the risk. The Company has evolved a risk management framework to identify, assess and mitigate the key risk factors of the business. The Board of the Company is kept informed about the risk management of the Company.

## PARTICULARS OF EMPLOYEES

The Company has no employee whose remuneration exceeds the limit prescribed under section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## ACKNOWLEDGEMENT

The Directors would like to express their grateful appreciations for the assistance and co-operations received from the various Government authorities and Holding Company for their continued guidance and support. The Directors regret the loss of life due to Covid-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

Your Directors would also like to place on record their sincere appreciation for the commitment, dedication and hard work put in by every member of the Company and dedicates the credit for the Company's achievements to them.

Date: 18.05.2023  
Place: Kolkata

For and on behalf of the Board of Directors

  
Ghanshyam Agarwal  
Director  
(DIN: 08181762)

  
Rajesh Kumar Agarwal  
Director  
(DIN: 00223718)



**Nikhil Doshi, B. Com (Hons.), ACA**

## INDEPENDENT AUDITOR'S REPORT

**To The Members of NE Hills Hydro Limited**

### Report on the Standalone IND AS Financial Statements

#### **Opinion**

We have audited the accompanying Standalone Financial Statements of **NE Hills Hydro Limited ("The Company")**, which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit & Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereafter refer to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2023, and the profit and other comprehensive income, changes in equity and its cashflows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibility of Management for the Standalone 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 standalone 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.





**Nikhil Doshi, B. Com (Hons.), ACA**

#### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





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**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account, as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit & Loss including Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows dealt with by this report, are in agreement with the books of account.
  - d) In our opinion, the accompanying Standalone Financial Statement comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid / provided any remuneration to its directors during the year and hence the provisions of section 197(16) of the Companies Act, 2013 is not applicable to the Company.
4. 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:
  - a) The Company does not have any pending litigations hence there is no impact of the same on its financial position in its financial statement,
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, and
  - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - d) (i) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



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**Sarda Soni Associates LLP**

**CHARTERED ACCOUNTANTS**

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**Nikhil Doshi, B. Com (Hons.), ACA**

- (ii) The Management has represented that, to the best of its knowledge and belief, as disclosed in notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- e) The Company has not declared or paid any dividend during the year and hence the provisions of section 123 of the Companies Act, 2013 is not applicable to the Company.
- f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company w.e.f. April 1, 2023, reporting under this clause is not applicable.

Place: Kolkata  
Date: 18<sup>th</sup> May, 2023

For Sarda Soni Associates LLP  
Chartered Accountants  
FRN.: 117235W

*Nikhil Doshi*

CA. Nikhil Doshi  
(Partner)

Membership No: 311788  
UDIN: 23311788BGVYZS9059





**Nikhil Doshi, B. Com (Hons.), ACA**

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

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditor's Report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) As the Company does not hold any property, plant and equipment and intangible assets, reporting under clause 3(i) of the Order is not applicable.
- (ii) (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.  
(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the company by Central Government under section 148(1) of the Companies Act, 2013.
- (vii) In respect of statutory dues:
  - (a) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year. There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
  - (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2023.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.





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- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no un-utilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2020 Order is not applicable.
- (xiii) In our opinion, Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.





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- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company, subsidiary company, associate company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) (c) and (d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses amounting to Rs. 177.35 (Rs. In Hundred) during the financial year covered by our audit and Rs. 197.11 (Rs. In Hundred) in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

Place: Kolkata  
Date: 18<sup>th</sup> May, 2023

For Sarda Soni Associates LLP  
Chartered Accountants  
FRN.: 117235W

*Nikhil Doshi*

CA. Nikhil Doshi  
(Partner)  
Membership No: 311788  
UDIN: 23311788BGVYZS9059





**Nikhil Doshi, B. Com (Hons.), ACA**

**Annexure - B to the Independent Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **NE Hills Hydro Limited ("The Company")** as of 31<sup>st</sup> March 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 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 the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 standalone Ind AS 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;





**Sarda Soni Associates LLP**

**CHARTERED ACCOUNTANTS**

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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 March 2023, 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.

Place: Kolkata  
Date: 18<sup>th</sup> May, 2023

For Sarda Soni Associates LLP  
Chartered Accountants  
FRN.: 117235W

*Nikhil Doshi*

CA. Nikhil Doshi  
(Partner)  
Membership No: 311788  
UDIN: 23311788BGVYZS9059



**NE HILLS HYDRO LIMITED**  
CENTURY HOUSE, 2ND FLOOR, P 15/1 TARATALA ROAD, CPT COLONY, KOLKATA - 700088

**Balance Sheet as at 31st March 2023**  
CIN: U40104WB2007PLC116195

(₹) In Hundred

	Note No	As At 31.03.2023	As At 31.03.2022
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Capital Work in Progress	2	2,059.56	2,059.56
(b) Financial Assets			
(i) Investments	3	32,670.00	31,050.00
(c) Other Non-Current Assets	4	1,167.08	1,167.08
<b>Total Non Current Assets</b>		<b>35,896.64</b>	<b>34,276.64</b>
<b>Current Assets</b>			
(a) Financial assets:			
(i) Cash and cash equivalents	5	330.97	218.34
<b>Total Current Assets</b>		<b>330.97</b>	<b>218.34</b>
<b>Total Assets</b>		<b>36,227.61</b>	<b>34,494.98</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	6	7,000.00	7,000.00
(b) Other Equity	7	27,999.33	26,556.68
<b>Total Equity</b>		<b>34,999.33</b>	<b>33,556.68</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
(a) Other Current Liabilities	8	1,228.28	938.30
<b>Total Current Liabilities</b>		<b>1,228.28</b>	<b>938.30</b>
<b>Total Equity &amp; Liabilities</b>		<b>36,227.61</b>	<b>34,494.98</b>

Summary of significant accounting policies and notes on Accounts are an integral part of the financial statement

As per our Report on even date

For Sarda Soni Associates LLP  
Chartered Accountants  
Firm's Registration No. 117235W

Nikhil Doshi  
CA. Nikhil Doshi  
(Partner)

Membership No. 311788



For & on behalf of Board of Directors

Ghanshyam Agarwal  
Director  
Din No.08181762

Rajesh Agarwal  
Director  
Din No.00223718

Place: Kolkata

Date: 18th May, 2023

**NE HILLS HYDRO LIMITED**  
CENTURY HOUSE, 2ND FLOOR, P 15/1 TARATALA ROAD, CPT COLONY, KOLKATA - 700088

Statement of Profit & Loss for the year ended 31st March,2023  
CIN: U40104WB2007PLC116195

(₹) In Hundred

Particulars		Note No	31.03.2023	31.03.2022
I	Revenue from Operations		-	-
II	Other Income		-	-
III	<b>Total Income (I+II)</b>		-	-
IV	<b>Expenses</b>			
	Other Expenses	9	177.35	197.11
	<b>Total Expenses (IV)</b>		<b>177.35</b>	<b>197.11</b>
V	<b>Profit/(loss) before exceptional items and tax (III-IV)</b>		<b>(177.35)</b>	<b>(197.11)</b>
VI	Exceptional Items			
VII	<b>Profit/(loss) before tax (V-VI)</b>		<b>(177.35)</b>	<b>(197.11)</b>
VIII	<b>Tax Expense :</b>			
	Current tax		-	-
	Deferred tax		-	-
	<b>Total Tax Expenses</b>		-	-
IX	<b>Profit/(loss) for the period (VII-VIII)</b>		<b>(177.35)</b>	<b>(197.11)</b>
	<b>Other Comprehensive Income/(Expenses) (OCI)</b>			
	<b>Item that will not be reclassified to Profit &amp; Loss</b>			
	Changes in fair value of FVOCI equity instruments		1,620.00	3,510.00
X	<b>Other Comprehensive Income/(Expenses) (OCI), net of taxes</b>		<b>1,620.00</b>	<b>3,510.00</b>
XI	<b>Total Comprehensive Income for the period (IX+X) (comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>		<b>1,442.65</b>	<b>3,312.89</b>
XII	<b>Earnings per equity share [nominal value ₹ 10 per share (₹10 per share) - Basic &amp; Diluted ( )]</b>			
	Basic earning per share	10	(0.25)	(0.28)
	Diluted earning per share		(0.25)	(0.28)

Summary of significant accounting policies and notes on Accounts are an integral part of the financial statement

1

As per our Report on even date

For Sarda Soni Associates LLP  
Chartered Accountants  
Firm's Registration No. 117235W

CA. Nikhil Doshi  
(Partner)

Membership No. 311788



For & on behalf of Board of Directors

Ghanshyam Agarwal  
Director  
Din No.08181762

Rajesh Agarwal  
Director  
Din No.00223718

Place: Kolkata

Date: 18th May, 2023

**NE HILLS HYDRO LIMITED**  
CENTURY HOUSE, 2ND FLOOR, P 15/1 TARATALA ROAD, CPT COLONY, KOLKATA - 700088

Cash Flow Statement for the year ended 31st March, 2023  
CIN: U40104WB2007PLC116195

(₹) In Hundred

Particulars	As At 31.03.2023	As At 31.03.2022
<b>A. Cash Flow From Operating Activities</b>		
Profit Before Tax	(177.35)	(197.11)
<b>Movements in Working Capital :</b>		
Increase / (Decrease) in Other Current Liabilities	289.98	227.70
<b>Net cash Flow before Tax &amp; Extra ordinary Items</b>	112.63	30.59
Direct Tax (Paid) / Refund	-	-
<b>Net Cash Flow from Operating Activities (A)</b>	<b>112.63</b>	<b>30.59</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets, Intangible Assets, CWIP & Capital Advances	-	-
<b>Net Cash Flow From Investing Activities (B)</b>	-	-
<b>C. Cash Flow From Financing Activities</b>		
Proceeds / (Repayment) of Borrowings	-	-
<b>Net Cash Flow From Financing Activities (C)</b>	-	-
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalent (A + B + C)</b>	<b>112.63</b>	<b>30.59</b>
<b>Cash &amp; Cash Equivalent at the beginning of the year</b>	<b>218.34</b>	<b>187.75</b>
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>330.97</b>	<b>218.34</b>

Summary of significant accounting policies and notes on Accounts are an integral part of the financial statement

As per our Report on even date

For Sarda Soni Associates LLP  
Chartered Accountants  
Firm's Registration No. 117235W

*Nikhil Doshi*  
CA. Nikhil Doshi  
(Partner)  
Membership No. 311788



Place: Kolkata  
Date: 18th May, 2023

For & on behalf of Board of Directors

*Ghanshyam Agarwal*  
Ghanshyam Agarwal  
Director  
Din No.08181762

*Rajesh Agarwal*  
Rajesh Agarwal  
Director  
Din No.00223718



**NE HILLS HYDRO LTD**  
CENTURY HOUSE, 2ND FLOOR, P 15/1 TARATALA ROAD, CPT COLONY, KOLKATA - 700088

**Statement of Changes in Equity for the year ended 31st March,2023**

**A. Equity share capital** ( ₹ in Hundred )

Particulars	Amount
As at 1 April, 2021	7,000.00
Changes in equity share capital	-
As at 31 March, 2022	7,000.00
Changes in equity share capital	-
As at 31 March, 2023	7,000.00

**B. Other equity** ( ₹ in Hundred )

Particulars	Reserve and surplus		Other reserve	Total other equity
	Retained earnings	Equity Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	
Balance as at 1 April, 2021	(1,596.21)	24,840.00		23,243.79
Profit for the year (a)	(197.11)			(197.11)
Other comprehensive income (b)	-	3,510.00		3,510.00
<b>Total comprehensive income for the year (a + b)</b>	<b>(197.11)</b>	<b>3,510.00</b>		<b>3,312.89</b>
Balance as at 31st Mar, 2022	(1,793.32)	28,350.00		26,556.68

**B. Other equity** ( ₹ in Hundred )

Particulars	Reserve and surplus		Other reserve	Total other equity
	Retained earnings	Equity Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	
Balance as at 1 April, 2022	(1,793.32)	28,350.00		26,556.68
Profit for the year (a)	(177.35)	-		(177.35)
Other comprehensive income (b)	-	1,620.00		1,620.00
<b>Total comprehensive income for the year (a + b)</b>	<b>(177.35)</b>	<b>1,620.00</b>		<b>1,442.65</b>
Balance as at 31st Mar, 2023	(1,970.67)	29,970.00		27,999.33

Summary of significant accounting policies and notes on Accounts are an integral part of the financial statement

As per our Report on even date

For Sarda Soni Associates LLP  
Chartered Accountants  
Firm's Registration No. 117235W

CA. Nikhil Doshi  
(Partner)  
Membership No. 311788



For & on behalf of Board of Directors

  
Ghanshyam Agarwal  
Director  
Din No.08181762

  
Rajesh Kr. Agarwal  
Director  
Din No.00223718

Place: Kolkata  
Date: 18th May, 2023

## 1. Significant Accounting Policies

### 1.1 Basis of Preparation

#### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2023 were prepared in accordance with the Indian accounting standards notified under Companies (Indian Accounting Standard) Rules, 2015 and other relevant provisions of the Act. These financial statements are the financial statements of the company under Ind AS.

The accounting policies are consistently followed by the Company and changes in accounting policy are separately disclosed.

#### (ii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

- defined benefit plans – plan assets measured at fair value
- certain financial assets that are measured at fair value

#### (iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

#### (iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest hundreds as per the requirement of Schedule III, unless otherwise stated.

### 1.2 Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

### 1.3 Property, plant and equipment

Property, plant and equipment are stated at their cost of acquisition, installation or construction (net of any recoverable amount, wherever applicable) less accumulated depreciation, amortization and impairment losses if any, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the asset to working condition for its intended use.

### Capital Work In Progress

Capital work-in-progress is carried at cost and includes any directly attributable cost incurred during construction period.



## NE HILLS HYDRO LIMITED

Notes to standalone financial statements for the year ended 31 March 2023

### Expenditure during construction period

In case of new projects and substantial expansion of existing units, expenditure incurred including trial production expenses net of revenue earned, and attributable interest and financing costs, prior to commencement of commercial production/completion of project are capitalized.

### Depreciation

Depreciation on Property, plant and equipment is provided on Written Down Value method in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing depreciation specified in Part 'C' thereof. Depreciation is provided on components that have homogenous useful lives by using the WDV method so as to depreciate the initial cost down to the residual value over the estimated useful lives. In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

### 1.4 Investments and other financial assets

#### Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

#### Measurement

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The company classifies its debt instruments into the following categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collections of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.



## NE HILLS HYDRO LIMITED

Notes to standalone financial statements for the year ended 31 March 2023

### Equity instruments

The Company subsequently measures all equity investments (except subsidiary, associate and joint venture) at fair value through profit or loss. However, where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

### 1.5. Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

### 1.6 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, demand deposits with banks and other short-term highly liquid investments/deposits with an original maturity of three months or less.

### 1.7 Tax Expenses

Tax expense comprises current tax and deferred tax. Provision for the current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.



## NE HILLS HYDRO LIMITED

Notes to standalone financial statements for the year ended 31 March 2023

### 1.8 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of GST and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The company recognizes revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sales are recognized when substantial risk and rewards of ownership are transferred to customer. Generally, sales take place when goods are dispatched or delivery is handed over to transporter.

Interest income is recognized using the effective interest rate (EIR) method.

Dividend income on investments is recognized when the right to receive dividend is established.

### 1.9 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss before other comprehensive income for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 1.10 Provisions and Contingencies

A Provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are also disclosed by way of notes to the accounts.



**NE HILLS HYDRO LIMITED**  
CENTURY HOUSE, 2ND FLOOR, P 15/1 TARATALA ROAD, CPT COLONY, KOLKATA - 700088  
Notes to Financial Statement for the year ended 31st March, 2023

(₹) in Hundred

Note - 2	As At 31.03.2023	As At 31.03.2022
<b>Capital Work In Progress</b>		
<b>Pre-operative Expenses pending allocation</b>		
Audit Fees	501.56	501.56
Bank Charges	8.86	8.86
Certification Expenses	37.51	37.51
Director Sitting Fees	200.00	200.00
Filing Fees	175.73	175.73
General Expenses	60.50	60.50
Legal Expenses	21.30	21.30
Printing & Stationery	94.99	94.99
Professional & Consultancy	478.00	478.00
Rates & Taxes	440.00	440.00
Travelling & Conveyence	41.11	41.11
	<b>2,059.56</b>	<b>2,059.56</b>

**Ageing of Capital work-in-progress as at 31st March 2023**

Particulars	Amount of CWIP for the period of			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in progress	-	-	-	2,059.56
Projects temporarily suspended	-	-	-	-

**Ageing of Capital work-in-progress as at 31st March 2022**

Particulars	Amount of CWIP for the period of			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in progress	-	-	-	2,059.56
Projects temporarily suspended	-	-	-	-

Note - 3	As At 31.03.2023	As At 31.03.2022
<b>Investment at FVTPL</b>		
<i>Unquoted Equity Instruments</i>		
Ribhoi Engineering Co. Pvt. Ltd.		
27,000 ( 27,000 as at 31.03.2022 Equity Shares of ₹ 10/- each fully paid up	32,670.00	31,050.00
	<b>32,670.00</b>	<b>31,050.00</b>

Note - 4	As At 31.03.2023	As At 31.03.2022
<b>Other Non Current Assets</b>		
<b>Capital Advances</b>		
-Advances against Capital Works	750.00	750.00
<b>Others</b>		
-Unammortised Expenses	417.08	417.08
	<b>1,167.08</b>	<b>1,167.08</b>

Note - 5	As At 31.03.2023	As At 31.03.2022
<b>Cash and cash equivalents</b>		
Bank Balance		
- Balances With Bank in Current Account	328.94	216.31
Cash In Hand	2.03	2.03
	<b>330.97</b>	<b>218.34</b>



**NE HILLS HYDRO LIMITED**  
**CENTURY HOUSE, 2ND FLOOR, P 15/1 TARATALA ROAD, CPT COLONY, KOLKATA - 700088**  
**Notes to Financial Statement for the year ended 31st March, 2023**

(₹) in Hundred

Note - 6	As At 31.03.2023	As At 31.03.2022
<b>Share Capital</b>		
<b>Authorised Capital</b>		
1,00,000 (1,00,000 as at 31.03.2022) Equity Shares of ₹10/- each	10,000.00	10,000.00
<b>Issued, Subscribed &amp; Paid -up</b>		
70,000 ( 70,000 as at 31.03.2022) Equity Shares of ₹10/- each fully paid up in cash	7,000.00	7,000.00
	<b>7,000.00</b>	<b>7,000.00</b>

a **Terms/Rights attached to equity shares**

The company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of Equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b **Reconciliation of No. of shares outstanding at the beginning and at the end of the reporting period**

Equity Share Capital	No. of Shares	No. of Shares
At the beginning of the year	70,000	70,000
Issued during the year	-	-
Outstanding at the end of the year	<b>70,000</b>	<b>70,000</b>

c **Shares held by Holding Company**

Star Cement Limited	No. of Shares	No. of Shares
	69,994	69,994

d **Shares held by Promoter at the beginning of the year**

Promoter Name	No. of Shares	% of Total Shares	% Change during the year
Star Cement Limited	70000	100%	0%

Shares held by Promoter at the end of the year

Promoter Name	No. of Shares	% of Total Shares	% Change during the year
Star Cement Limited	70000	100%	0%

e **Details of Shareholders holding more than 5% of Equity Share capital**

Name of the Shareholder	No. of Shares	No. of Shares
	% of holding	% of holding
Star Cement Limited*	70,000	70,000
	100%	100%

\* Out of 70,000 shares, 6 shares has been held by other persons as nominee shareholders

f **Shares reserved for issue under options and contracts/commitments for sale of shares/disinvestment, including the terms and amounts: Nil.**

Note - 7	As At 31.03.2023	As At 31.03.2022
<b>Other Equity</b>		
<b>1 Reserve &amp; Surplus</b>		
<b>Retained Earnings</b>		
Balance as per last account	(1,793.32)	(1,596.21)
Profit /(loss) for the year	(177.35)	(197.11)
<b>Total</b>	<b>(1,970.67)</b>	<b>(1,793.32)</b>
<b>2 Other Reserves</b>		
<b>Equity Instruments through OCI</b>		
Opening Balance	28,350.00	24,840.00
Change in fair value of FVOCI equity instruments	1,620.00	3,510.00
<b>Total</b>	<b>29,970.00</b>	<b>28,350.00</b>
	<b>27,999.33</b>	<b>26,556.68</b>



**NE HILLS HYDRO LIMITED**

CENTURY HOUSE, 2ND FLOOR, P 15/1 TARATALA ROAD, CPT COLONY, KOLKATA - 700088

**Notes to Financial Statement for the year ended 31st March, 2023**

(₹) in Hundred

Note - 8	As At 31.03.2023	As At 31.03.2022
<b>Other Current Liabilities</b>		
-Liabilities for Expenses	88.50	88.52
-Advance from related party (Refer Note 18)	1,000.00	710.00
-Unclaimed Payables	139.78	139.78
	<b>1,228.28</b>	<b>938.30</b>

Note - 9	As At 31.03.2023	As At 31.03.2022
<b>Other Expenses</b>		
Audit Fees	88.50	88.50
Advertisement Expenses	34.78	-
Bank Charges	24.19	23.01
Filing Fees	4.00	12.00
Professional & Consultancy	25.88	73.60
General Expenses	-	-
	<b>177.35</b>	<b>197.11</b>





## NE HILLS HYDRO LIMITED

Notes to standalone financial statements for the year ended 31 March 2023

### 10. Earnings per Share

		(₹) in Hundred	
Particulars		2022-23	2021-22
Profit attributable to equity holders of the company used in calculating earnings per share	Rs	(177.35)	(197.11)
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	Nos.	70000	70000
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	Nos.	70000	70000
Basic earnings per share attributable to the equity holders of the Company	Rs	(0.25)	(0.28)
Diluted earnings per share attributable to the equity holders of the Company	Rs	(0.25)	(0.28)

### 11. Financial instruments in investment in unquoted equity instrument.

		(₹) in Hundred	
Particulars		31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Other Comprehensive Income		1620.00	3510.00

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) 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.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market 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.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis.
- the fair value of all assets and liabilities



## NE HILLS HYDRO LIMITED

Notes to standalone financial statements for the year ended 31 March 2023

(iii) Fair value of financial assets and liabilities measured at fair value - recurring fair value measurements

		(₹) in Hundred	
	Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Financial Assets			
	Investment in Equity shares of unquoted Company M/s Ribhoi Engineering Co. Pvt. Ltd. valued under level 3 fair value hierarchy	32670.00	31050.00

### 12. Capital Management

#### Risk management

The company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amount mentioned under total equity in balance sheet is considered as Capital.

### 13. Financial Risk Management

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash & Cash Equivalents, & Other Non Current Assets	Aging Analysis	Diversification of Vendor Base
Liquidity Risk	Other Liability	Cash Flow Forecast	Availability of committed facility
Market Risk - Price Risk	Investment in Equity Security	Sensitivity Analysis	Continuous monitoring of Companies performance

#### (A) Credit risk

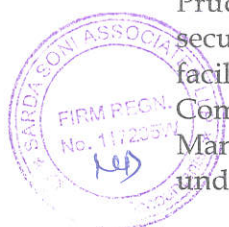
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

#### (B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Company maintains sufficient cash and liquid investments available to meet its obligation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected



# NE HILLS HYDRO LIMITED

Notes to standalone financial statements for the year ended 31 March 2023

cash flows. The management also considers the cash flows projection and level of liquid assets necessary to meet these on a regular basis.

(C) Price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

14. Payment made to the Auditors' during the period is as under:

Particulars	(₹) In hundred)	
	2022-23	2022-21
As Auditor		
- Audit Fees	88.50	88.50

15. The contingent liability of the company is nil.

16. The Company does not have dues with respect to the Micro, Small and Medium Enterprises as defined in Micro, Small & Medium Enterprise Development Act, 2006.

17. Considering the nature of company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Ind AS 108-'Operating Segment'.

18. Related Party Disclosures

Names of the transacting related parties and related party relationship

<b>Holding Company</b>	Star Cement Limited (Formerly known as Cement Manufacturing Company Limited)
<b>Fellow Subsidiary</b>	Star Cement Meghalaya Limited
<b>Key Management Personnel</b>	Ghanshyam Agarwal, Managing Director Rajesh Agarwal, Director Pradeep Purohit, Director

Details of transactions between the Company and related parties and the status of outstanding balance as at 31<sup>st</sup> March'2023

Name of Person	Nature of Payment	(₹ In hundred)	Closing Balance on 31.03.2023
Star Cement Limited (Formerly known as Cement Manufacturing Company Limited)	Advance received	250.00/- (210.00/-)	NIL (710.00/-)
Star Cement Limited (Formerly known as Cement Manufacturing Company Limited)	Advance repaid	960.00/- 0/-	NIL (710.00/-)
Star Cement Meghalaya Limited	Advance received	1000.00/- (NIL)	1000.00/- (NIL)



# NE HILLS HYDRO LIMITED

Notes to standalone financial statements for the year ended 31 March 2023

## 19. Additional Regulatory Information

### a. Ratios

Particulars	Numerator	Denominator	2022-23	2021-22	Variance
Current Ratio (in times)	Current Assets	Current Liabilities	0.27	0.23	15.80%
Return on Equity Ratio (In %)	Net Profits after taxes	Average Shareholder's Equity	-0.52%	-0.62%	-16.27%
Return on Capital Employed (In %)	Earning before interest and taxes	Capital Employed	-0.51%	-0.59%	-13.73%

### b. Others

Other than in the normal and ordinary course of business there are no funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

There have been no funds that have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 20. Previous year figures

The company has reclassified previous year figures to conform to the Reporting period's classifications.

21. All the figures have rounded to the nearest Rupees in Hundred.

For Sarada Soni Associates LLP  
Chartered Accountants  
Firm's Registration No. 117235W

CA. Nikhil Doshi  
(Partner)  
Membership No - 311788

Date: 18<sup>th</sup> May, 2023  
Place: Kolkata



For and on behalf of the Board of Directors

  
Ghanshyam Agarwal  
Director  
(DIN : 08181762)

  
Rajesh Agarwal  
Director  
(DIN : 00223718)